

*The*  
**Canadian Wheat Pools**  
**On the Air**

*A Series of Radio Messages*

*broadcast by officials and  
supporters of the Wheat  
Pools of Western  
Canada*



*Issued by*  
The Wheat Pool Organizations of Manitoba, Saskatchewan and Alberta  
January, 1935

## FOREWORD



**I**N the year 1930 a shock of unprecedented violence rocked the entire world of commerce; and left behind it the ruins of many of the mightiest business organizations of modern times. The Wheat Pool organizations of Western Canada were not among those ruins.

The Wheat Pools did not escape the shock. In fact, they felt its full force. But their foundations of concrete operation were reinforced with something which has proved, through all time, that it can withstand shock and violence. That reinforcement was, of course, the spirit of some 150,000 farmers and their families.

When the shock came in 1930, and wheat prices collapsed in the general business debacle, it was readily seen by those entrusted with public responsibility that if the holdings of the Wheat Pools were dumped on a demoralized market, the entire agricultural industry of Western Canada would be plunged into a state of chaos from which it might not recover for years. Prompt action was taken by the three provincial governments to prevent such a catastrophe. Wheat prices declined so rapidly from the high levels of 1929 that when deliveries to the Pools for that year had been disposed of, it was found that Pool members had been overpaid more than twenty-two million dollars. It was believed in many quarters that "Finis" had been written to a great farmers' co-operative experiment.

Several years have now passed since those eventful days. The Wheat Pools are still operating as farmer-owned and farmer-controlled co-operative organizations. They are repaying obligations incurred by the overpayment on the 1929 crop. They are still the outstanding factor in the Canadian grain trade. The loyalty of prairie farmers to their own co-operative organizations has turned threatened disaster into a triumph.

The public is entitled to some accounting of these Wheat Pools and what they have been doing. It is for that reason that this booklet is published and distributed by the Wheat Pool organizations of Manitoba, Saskatchewan and Alberta. The following pages contain a series of radio messages broadcast by Wheat Pool officials and supporters between October 3rd, and December 26th, 1934. These messages were broadcast under the management of the Western Broadcasting Bureau from a network of Western Canada radio stations including the following:

CKY	WINNIPEG	CJGX	YORKTON
CJRM	MOOSE JAW	CFQC	SASKATOON
CHWC	REGINA	CFCN	CALGARY
CJCA EDMONTON			



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# The Right Road

*Radio Address by LOUIS C. BROUILLETTE*

*President Saskatchewan Wheat Pool*

*President Canadian Wheat Pool*

OCTOBER 3rd, 1934

THE Wheat Pool organizations of Manitoba, Saskatchewan and Alberta, representing the largest grain handling and marketing systems in the world, established by the producers for the producers, and operated solely in the interests of the producers, are now entering on their eleventh year in business. It should be a matter of pride, not only to every farmer in Western Canada, but to every business and professional man in our towns and cities, that this unique Western organization, built up by prairie farmers, has stood firm during a period when some of the largest commercial organizations in the world have crashed to ruin, when many Governments have collapsed, and the industrial system of the world has been completely disorganized.

For the third year in succession the three pooling organizations have met their obligations to their provincial government. Capital and interest due this year on the 1929 overpayment have been paid in full after making ample provision for depreciation on the elevator system of the Pools, and a substantial sum has been added to the working capital of the three Pool organizations. In 1929 the Wheat Pools paid to their farmer-members, as advance payments on grain deliveries, twenty-two million dollars more than the grain brought when finally sold. The debt thus contracted in the interests of the producers is being paid out of the earnings of the Pool elevator systems. With the splendid patronage given by Pool members and increased support given by farmers who did not sign Pool contracts but who appreciate Pool elevator service and efficiency, we have every hope that the entire amount of the 1929 overpayment indebtedness will be paid in full long before the period for which repayment bonds were issued has expired.

Our elevator systems of a thousand six hundred and sixty-six elevators and terminals at the lake ports and the Pacific Coast, have been built and paid for by the farmers. The 1929 overpayment, which looked like a millstone round our necks in 1930, no longer alarms us; when we have been able to meet obligations fully in years of disastrously low crops and partial or total failures in all three provinces in the areas which formerly gave us the highest percentage of deliveries. The volume handled, and the efficiency and economy of our management, have made us confident that our elevator systems can be maintained and improved at a high standard of efficiency and can clear off every dollar of obligation against them.

## URBAN-RURAL MUTUAL INTERESTS

The Wheat Pools were established for a definite purpose, with a definite end in view—the securing for the producers of grain a reasonably remunerative price for their labor. The whole-hearted co-operation of the vast majority of business and professional men in western towns and cities, with one or two notable exceptions, was secured in the membership drives when the Pools were formed. There should be the same whole-hearted co-operation now; as the Wheat Pools have never lost sight of their objective, and every intelligent business man realizes that, until there is a fair return to the farmer for his produce, there can be no return to prosperity.

Although the Pools are operating the largest and best equipped systems of country and terminal elevators in existence, they cannot rest satisfied

with large handlings or increased earnings so long as the farmers, who are the Pools, and in whose interests the Pools are operating, cannot make ends meet. The welfare of our towns and cities is almost entirely dependent on the prosperity of the farmer. Every municipal officer, every school teacher, every business or professional man, knows that when the farmer is hard up, times are bad in the town.

Even if the disastrous droughts and insect plagues which have devastated vast areas of our prairies should not recur, and normal crops should be harvested again, it is vitally important that our producers should receive at least a fair margin over the cost of production. Any increase in the farmer's margin of income is immediately reflected in the improvement of business.

At the present time the doctrine is preached in certain quarters that the price received by the farmer is not so important as the volume of production, even if the liquidation or ruin of a certain percentage of the producers, should result. We emphatically denounce this view. For four years the Central Selling Agency of the Canadian Wheat Pools has been utilized to provide a hedging market for wheat to prevent, in the words of the Canadian Prime Minister, "the chaos which would result from the absolute failure to sell wheat except as a distress commodity". We believe that the time has now come when the business and farming interests of Western Canada should join forces to put an end to speculative drives to force our wheat to still more unprofitable and unjustifiable levels.

Just recently, and especially during the past few days, we have again witnessed a grain market debacle, which has brought forth a good deal of comment by outstanding grain men, and some talk of Government investigation. This is not a new condition. In the spring of 1925 the price dropped steadily from \$2.20 to \$1.34 for no reason whatever except to make profits for speculators. The decline had nothing whatever to do with the supply and demand of wheat. Since that time, periodically throughout the years, these raids on the market have taken place, and our farmers having wheat to sell, have suffered the consequences. An investigation might be of value in disclosing for the general public things that the Pools have believed to be true for a number of years. Whether short selling abuses can be corrected under the open market system would yet have to be proven. In our opinion the time is long past due when the open market and speculative system should be closed *for all time*. In its place there should be set up a system of marketing, fair both to producer and consumer, which would place Canada in a position to co-operate with other countries in the world to improve and stabilize price levels in the interests of all.

The recent deliberate attempt by short selling interests to lower prices on the Winnipeg market is indefensible. Taking the quality of Canadian wheat into consideration, our prices compare favorably with the prices quoted by other exporting countries. This is proved by the fact that up to the present time Canada has enjoyed this year, as well as last year, a fair share of the world's import requirements.

#### NOT A NEW POLICY

The policy followed by the Wheat Pools is not a new phase of the farmers' movement in Western Canada. It is in line with every forward step taken by the grain growers in the West, during the past 30 years, to establish a decent standard of living for the men and women and children on prairie farms. Their toil and enterprise opened up the greatest era of industrial development in Canada. Millions of new wealth were created; but those whose labor had created this wealth received only a meager living. Surpluses saved in years of good crops at fair prices disappeared when prices went down to unprofitable levels, or calamities, such as drought, frost, rust or hail, destroyed their crops.

The Wheat Pools have taken a strong stand on matters not directly connected with the handling of grain, but affecting the welfare of the farmers who are the Pools. The Pools are heartily in accord with efforts put forth to deal with the wheat situation through intelligent co-operative action by

the principal wheat exporting and importing countries. The Wheat Pools believe they are expressing the views of a substantial majority of producers when they take the stand that speculation in grain for the benefit of any interest standing between the producer and consumer must be eliminated. They believe that the buying power of the farmer must be restored either by higher prices for what he has to sell or lower prices for the necessities he has to purchase. They hold that there must be an adjustment of the burden of debt which low prices and poor crops have piled on the shoulders of the men and women on the land, and that a reduction in interest rates on farm credits must be brought into effect.

Today we see the movement of a large number of our farmers from one section of the Province to another in search of new farm homes. To a large extent this has been brought about by continuous drought. But also, to a large extent, it has resulted from unorganized land settlement schemes, wherein the well-being and happiness of the settler were not considered at the time districts were opened up for settlement. This movement of population is by no means a solution to the problem. The problem is of very great importance to the individual and to the country as a whole. It requires the immediate consideration of the Federal and Provincial governments, and other interested bodies, in order that a solution to the problem may be found. A careful study must be made of such matters as a complete soil survey, land conservation, reclamation, reforestation, proper tillage methods and water conservation.

What we are concerned about is the solvency of Western agriculture; and that should be the concern of not only the people of Western Canada, whether in towns or in the country, but of the people of Eastern Canada as well.

The Wheat Pools are in cordial sympathy with the labors of our Federal and Provincial departments of agriculture, institutions like the Rust Research Institute and National Research Council, our universities and experimental farms, and our seed growers' organizations, in developing improved varieties of grain. We welcome any new invention that cuts down the cost of production or the cost of handling grain. However, we feel that in assisting farmers to produce, the responsibilities of the Federal and Provincial Governments cannot end at that point, but must be continued in full co-operation with the organized farmers to establish a method for marketing in keeping with present-day needs. Therefore, we are convinced that the intelligent marketing of farmers' produce is still the paramount problem that must be solved before agriculture, and all interests depending on agriculture, can be on a secure foundation. Consequently we welcome such measures as the Natural Products Marketing Act, which recognizes the right of the farmer to market what he grows instead of leaving this vital side of the agricultural industry to other interests.

There is world-wide recognition today that modern civilization and destructive competition cannot exist together. Co-operation between individuals, between producer and consumer, between nations, is the only solution offering hope for the future. In upholding this policy, on which the Wheat Pools are founded, we are more firmly convinced than ever that we are on the right road, and that this movement which has sprung up on our prairie soil is in line with world tendencies which will ultimately triumph for the general good of mankind.

The Pools are an outstanding demonstration of the power of organization among producers who are helpless individually, but invincible when united.

In the words of our late beloved President, A. J. McPhail, "The farmers have set their hand to the plough, and will not turn back".

# The Farmer in Business

*Radio Address by R. D. PURDY*

*General Manager, Alberta Wheat Pool and Alberta Pool Elevators  
Limited*

OCTOBER 10th, 1934

LAST week you heard an address from Regina, Saskatchewan, a city located in the heart of the Canadian prairies. Tonight I am speaking from Calgary, almost within the shadow of the Rocky Mountains which mark the boundary of the westward extension of the plains region. North and south, but principally eastward, extends the long sweep of land which is known throughout the world as the Canadian spring wheat belt from which come the strong northern wheats. To the farmers of this immense prairie region, we in Alberta extend greetings and trust that these broadcasts will in some measure cement a further bond of union and inspire an additional incentive to continue earnestly and diligently in the upbuilding of the great business structures created by their own hands and for their own purposes—the co-operative Wheat Pools.

## THE FARMER IN BUSINESS

Dealing more particularly with the subject assigned to me, that of "The Farmer in Business", I would say that when farmers go into any business they should have a real purpose for so doing, and be strong enough to put it over. Most concerns are operated by individuals or groups who are well conversant with the basic principles of business, and are constantly in a position to know what their business is doing, and to understand the reasons therefor. With a big co-operative, such as any one of the provincial wheat pools, where the membership is very large, it is something of a task to maintain the intelligent interest of so large a number and to keep up the enthusiasm in order that the immense advantage of collective strength should not be minimized.

Large scale business organizations take time in their upbuilding. There are great companies in Canada which have operated for over a hundred years. Such organizations have learned to meet misfortune energetically and to overcome obstacles. Farmers with their co-operatives must learn to do the same, because in the vast seas of business rough weather is sure to be encountered along with periods of plain sailing. Like any individual, any business which cannot meet with reverses and conquer them, really will never amount to a great deal, for it is the very overcoming of what appears to be impending defeat that develops strength and determination of purpose. As one commentator rather aptly puts it, "It's not so much the size of the dog in a fight as the size of the fight in the dog".

The Wheat Pools' organizations are youthful. It is only a little over a decade since they were launched, and that brief period has included at least five years of stress and trial beyond anything the world has ever seen. This fact should not be overlooked.

## THE GRAIN PRODUCERS' OBJECTIVE

The builders of Pool elevators, the farm men and women who put their money and their time and energy into the project, had distinct ideas before them. They desired a co-operative concern, first and foremost; an elevator company operating on the basis of an utility like the post office, the schools, some of the big mutual insurance companies, and other enterprises like the Ontario Hydro concern. They did not desire capitalists, from here, there and everywhere, to put money into the enterprise with the hope of eventually

extracting profits or building up for themselves an extremely valuable asset. These farm men and women wanted an elevator system built on the foundations of co-operation as established imperishably by the pioneers of the movement; with well-defined motives and policies, and with the hope of establishing on Canadian soil an institution that would be of lasting value to the grain growers of the West.

To insure the carrying out of co-operative practices and ideals the founders of Pool elevators decided upon a democratic form of control. They concluded the safest place to vest the control power was in the hands of the grain growers themselves. But, thousands of grain growers cannot operate an elevator system. They cannot, as a body, conveniently formulate definite policies, because the number of individuals is too large and their places of residence too scattered. So it was decided to elect representatives from this large body of farmers to form delegate bodies. Virtually all these delegates are working farmers. They have their own interests and activities to attend to. They can not very well leave their work once a month, or even once every two months, to travel to a central point to attend meetings. So they delegate certain powers to smaller bodies, the boards of directors. The delegates themselves meet in convention at least once a year to hear the annual reports, enquire into the affairs of the organizations and formulate broad policies of operation. This is the basis of the democratic, grower-control principle upon which the Wheat Pools and Pool Elevators are organized and operated.

#### **FULL PUBLICITY A BASIC PRINCIPLE**

Another objective of the founders of the Pool elevator systems was to supply complete information concerning operations of the systems to members. They did not desire the usual cut-and-dried annual meetings with the customary policy of giving out a minimum of information as to what was actually going on. They wanted their representatives to have the privilege of delving into any matter, asking any question, and getting a full and ample reply. They wanted their elected delegates to have the privilege of obtaining all the information they required in order that the membership might be kept fully informed.

The builders of the Pool elevator systems wanted the organizations to be operated in an efficient and equitable manner, with records of operation available to the members through the delegates. Their hope was that such an institution, founded on such sound principles, would have an immediate and lasting appeal to the great majority of grain growers; that volume in deliveries would make up for possible deficiencies in other fields of earnings.

It should never be forgotten that equity is a basic principle in the building up of Pool elevator organizations. There is no fairer principle, nor one that should appeal more to western grain producers, than this very important one of equity.

#### **GOOD MEMORY A TEST FOR A CO-OPERATOR**

There are some former Pool adherents who are discouraged and have ceased to patronize the Pool elevator organizations. Some cannot see why the savings each year are not what they used to be. Many have forgotten conditions as they used to be when co-operative organizations were in their infancy. They fail to recall what brought their organizations into being. One test of a co-operative, it seems, comes after the abuses that used to exist have been corrected. The challenge can then be met only by hammering away at the elementary yet vital facts which growers, left to themselves, are prone to forget. Either their support of co-operatives must be continued or they will see the day of abuses return again. A good memory usually distinguishes the good co-operator.

Another point should be considered by all grain producers. Almost every step that the Wheat Pools have taken towards improving conditions with respect to grain handling has resulted in smaller earnings for the elevator systems. There is decidedly a limit beyond which lies danger. Your

Pool elevator systems must be kept in a strong and healthy financial state to permit them to function for your best advantage.

#### A CLEAN-CUT ISSUE

The issue today before every grain grower in easy distance of a Pool elevator is: Whether these co-operative systems of elevators are worth retaining for the prairie farmer or not? If they are, you can help to keep and strengthen them still further by making use of them—by bringing in your grain. Nothing can prevent the Pool elevator organizations going forward to much greater success if the farmer will realize that every bushel he puts in a Pool elevator is helping to build up institutions established to fight his own battles. Success depends on you. There is no more unanswerable way of proclaiming to all Canada the prairie farmers' determination to stand together and fight their way out of their present difficulties than by deliveries of bushels, wagon-loads and car-loads of grain to Pool elevators.

It is our ambition to make Pool elevators respected and trusted by all grain growers, their operations open books to their patrons and their standing built on widespread confidence. In its broad sense, confidence is the foundation of all human relationships which possess the quality of endurance. The growth and life of any institution depends on the confidence it inspires and commands and can hold.

The greater the stress of circumstance the greater the need of confidence. It is when the souls of men are tried that they need the sustenance of faith. Faith in themselves, faith in their ability to overcome adversity. Confidence and courage should walk hand in hand. But too often this is not the case. Complaint too often takes the place of courage. Confidence too often is overcome by the doubt which leads to despair.

To every farmer interested in the co-operative movement I say that there is every reason to believe that these Pool organizations will overcome all obstacles and become even greater factors in grain marketing; provided they continue to be operated along sound, sane business lines in the interests of the grain producers of Western Canada as originally organized. Such continued progress is going to be possible only through the loyal support of the grain growers of the three Prairie Provinces.

# Markets and Marketing

*Radio Address by J. H. WESSON  
Vice-President Saskatchewan Wheat Pool*

OCTOBER 17th, 1934

THE subject of markets and marketing, as it applies to wheat, is today one of the most outstanding subjects for discussion in Western Canada.

While we have witnessed a complete collapse of industry, finance and economics in every country in the world during the past four years, Canada has measured its depression period by the sales price of wheat; because in Western Canada wheat is still "king". While arguments have waxed strong as to whether there have been surpluses accumulated through lack of consumption or through over-production. But such arguments make no difference to the fact that surpluses have been in existence. At the end of each grain year there has always been wheat in elevators, in transit, and in mills in every country in the world; and the normal amount was expected to be in the neighborhood of 600 million bushels. At the end of last July this world carryover stood in the neighborhood of 1,140,000,000 bushels. When the collapse of the speculative market came in Canada in 1929 and 1930 the western Wheat Pools, along with the Provincial Governments, believed that the speculative market, as such, could no longer function. The open market system must have speculators and investors if it is to operate at all. When elevator companies purchase wheat from producers they must hedge against their purchase by selling futures to somebody else who is willing to carry the price risk. Without this, farmers could not sell their wheat, under the open market system, either at country elevators or terminals, and secure the full market price for it.

## WHEAT BOARD FAVORED

The Pool organizations, therefore, have recommended to the Federal Government that the solution to the marketing problem in Canada is the closing down of a system that cannot stand on its own feet; and in its place set up a wheat board, similar to the one operating in 1919. The Federal Government decided against a wheat board for two reasons. One was the objection to setting up what might be looked upon by the import countries as a Government monopoly. It was believed that the Canadian Wheat Pools, plus the United States' Farm Board, had antagonized overseas buyers to such an extent that a government monopoly might only aggravate the situation still further. This belief has always been without foundation in fact. The actual buyers of wheat in the world were never antagonized; the Pools having reams of letters from actual buyers of wheat to prove this statement. Antagonism occurred only in the minds of grain trade leaders in Great Britain who had been deprived of huge sums of money by way of commissions and brokerage, because of the direct selling of wheat by the Canadian Pool to the ultimate users of wheat. The second reason was that the Federal Government, recognizing the wheat situation as a national calamity, and concerned over the extremely low price of wheat, wanted if possible, to continue the ordinary channels of trade so that farmers could get full prices each day at whatever level they might be. Incidentally, prices at country stations for One Northern have been less than 20c a bushel.

The existing method of marketing could be maintained only by arranging for something to take the place of the vanished speculator. The Canadian Wheat Pools, while still believing a wheat board the solution to the problem, accepted as the next best thing price stabilization by their Central Selling Agency under Federal guarantee. The irony of this development is that the Central Selling Agency of the Canadian Wheat Pools has been forced to stabilize a system of marketing that is anathema to its very principles.

This arrangement has carried on since 1931 and is still continuing this year. The present year, however, shows a different picture from the stand-point of supplies and demand for wheat. Canada again had a short crop year. The United States a crop disaster. Australia will show a short crop year, and it is estimated that Europe will produce in the neighborhood of 300 million bushels less than last year. If Mr. Broomhall's estimates of import requirements are nearly correct, (and Mr. Broomhall is a consumers' statistician) then by the end of next July not only Canada's but the world's carry-over should be down to within 150 to 250 million bushels of what is generally accepted as a normal basis.

If abnormal surpluses of wheat have been partly responsible for low prices, then, as these surpluses disappear, producers of wheat in every country of the world are entitled to expect that prices should be higher, or somewhat near what is accepted as normal. Yet we have been witnessing in this country, if newspaper reports are any guidance, vicious attempts on the part of a ring of international speculators to smash prices in face of the statistical wheat situation.

#### MARKET FLUCTUATIONS

It has generally been the experience that when hedging pressure starts during the fall movement of crop, lower prices prevail. If hedging pressure means lower prices, then the farmer who is selling his wheat, and causing the hedging pressure, must accept the low prices. It matters not during the rest of the year if prices are higher. The man who produces the grain cannot participate in the advance. This year tobogganning of prices did not occur, partly through weather conditions but largely because the Canadian Pool under guarantee by the Federal Government endeavored to maintain reasonable price levels.

In a recent editorial of a prominent Winnipeg newspaper opinions are expressed condemning the recent bear raid on the market. In discussing Mr. McFarland's request for an investigation as to the source of short selling, this editorial says the Grain Exchange must take action to meet the difficulty and if it does not there is a lively possibility that Winnipeg will cease to be an open market. No ring of international exporters and speculators should be allowed to practise their piratical pursuits at the expense of Canada.

#### OBJECTIVE OF POOLS

At the inception of the Pools in 1924 we had an objective in view and a vision for a complete change in marketing. That objective and vision have not been changed, and will never change, until the time comes when wheat will be dealt with only as a commodity, sold to people who want to buy it and use it.

Over two years ago the Pool organizations believed that a wheat board in Canada would not now solve the problem without some measure of international co-operation. So, when Governments, representing both exporting and importing countries, after conferences in Rome and London, eventually signed what is known as the London Wheat Agreement, the Wheat Pools welcomed this as a step in the right direction and as a first basis for international co-operation in wheat marketing.

The London Wheat Agreement itself has called forth a good deal of press comment both pro and con, the arguments against it being on the ground of what is termed "restrictive principles". The Wheat Pools have not recognized any unjustifiable restriction in the London Wheat Agreement. They have recognized in it a getting together of exporting countries to agree amongst themselves the amount of wheat that would be a fair and equitable quota to be shipped from each country to fit world import requirements. There is no restriction of purchases from importing countries. The Pools believe that the agreement itself, while not restricting, does protect each country against other countries dumping any volume of wheat that the world will not or does not want to buy.

The Pools would welcome action by any of our Governments that would tend to widen markets and increase consumption. The fundamental purpose of the London Wheat Agreement, however, is an attempt to raise

price levels. From the standpoint of the grower of wheat there could be no merit in the wheat agreement unless it did aim to raise price levels. The importing countries want us to raise price levels. They offered to reduce import tariffs if exporting countries would raise the price of wheat to 63.8¢ basis gold, and maintain that selling level over a period of weeks. In other words, it is not a question of trying to keep wheat out, but rather to keep out cheap wheat, which spells ruin to the domestic producer in the importing countries.

### MARKETING LEGISLATION

It is correct that the Dominion Government could not see fit in 1931, and has not up to the present time seen fit, to set up a wheat board. But at the last session of Parliament, after long debates and amendments, an Act was passed called the Natural Products Marketing Act. This Act makes provision for doing things that could be done under a wheat board set-up, but the growers of farm produce must take the initiative and use the Act and its provisions before it can become effective and operative.

We expect that this kind of law, because it is completely a new departure in Canada, will bring forth a good deal of opposition. Let me remind my friends, however, that Great Britain, a country usually looked upon by most people as slow to move and conservative in its progress, is now handling and marketing farm products under the same kind of an Act.

Most countries have lived through a "Gethsemane" for nearly four years, and few people have suffered more than the producer living on the land in Western Canada.

It is no use looking back to the so-called good old prosperous times. We must recognize world economic changes as they are, and be prepared to play our part in a changed world.

Governments in the different countries have adopted different means of assisting agriculture. There has been Government control, semi-Government control, Government subsidies, Government assistance of all kinds, costing hundreds of millions of dollars. Western Canadian agriculture should attempt to solve its problem without making any particular demands for financial assistance from the money belonging to taxpayers. A changed system of marketing can be sufficient. Through elimination of speculative price fixing, not only Canadian prices, but world prices, can be raised and stabilized on a higher basis which should be satisfactory, not only to importing countries who do not want cheap wheat dumped into their countries, but also satisfactory to farmers in all the exporting countries who do not want to sell low-priced wheat.

### FARMING MUST BE AIDED

A controlled system of marketing in Canada, co-operating with other exporting countries, is a sound, sensible development. The speculative system cannot co-operate with anything or anybody. Today the large majority of the world's wheat trade is controlled by three international grain firms. These firms are not much interested in the price level which farmers in Canada or in any other exporting country receive for their wheat. They are interested in the profit to be made in the turnover of wheat.

There is no such thing today as a Canadian wheat trade in the sense that it controls the marketing of Canadian wheat. These international firms control a large percentage, estimated anywhere up to eighty percent of Canadian wheat exports. Is it not time the agriculturist woke up to his own best interests and got himself into a position where he can trade as captains of industry trade, by selling the product itself at fair price levels?

Low prices must disappear. Agriculture must again secure purchasing power. If it does not, then all Canada must suffer; industries in Eastern Canada as well as business men in the West. For a long period of years the producer of wheat in Western Canada created more wealth than did any other industry in the Dominion. Its distribution and its purchasing power brought a measure of prosperity to all classes of people. Agriculture must recognize its duty to itself, morally supported by business men East and West. That duty is national co-operation as well as international co-operation in marketing wheat to once more bring a measure of prosperity to all.

# Manitoba Makes Good

*Radio Address by F. W. RANSOM  
Secretary Manitoba Pool Elevators Limited*

OCTOBER 24th, 1934

ONE hundred and forty-seven farmers from all parts of Manitoba, where the growing of grain is an important industry, met in Winnipeg last week to go over with their elected representatives and hired employees, the past year's business of grain handling operations carried on by their own farmer-owned and farmer-operated system, Manitoba Pool Elevators Limited.

Manitoba Pool Elevators is a provincial organization federating one hundred and fifty elevator associations, each of which is a separately incorporated unit.

Matters which received prominent attention from the delegates and marked the highlights of the Convention were: (1) the financial statement contained in the Directors' Report on the operations for the past year; (2) the Natural Products Marketing Act; and (3) recent Debt Adjustment legislation.

The Directors' Report stated that: "The operations of Manitoba Pool Elevators during the past season have been successful beyond our expectations", and it showed that after taking care of all expenses there was a net operating surplus of \$361,000. Out of this amount the Province of Manitoba was paid a sum of over \$233,000, consisting of the full yearly payment of principal and interest of \$185,000, plus \$48,000 of arrears from 1931 operations. The balance—about \$125,000—was put into Reserve Account. It should be mentioned also that of the total amount due to the Province in August, 1931, amounting to \$2,100,000, nearly half a million dollars of principal has been paid in the past three years. On August 1st, 1934, the total indebtedness had been reduced to less than \$1,650,000. This gratifying result shows that in spite of less than average crops the Pool is getting a substantial volume and share of business, and is making steady, rapid progress. The delegates expressed their pleasure and their confidence in the Directorate and management when adopting the Report, and later in the session Premier Bracken congratulated the organization on its continued success.

## FARMERS' POINT OF VIEW

This organization is fundamentally different from that of a joint stock company. Its goal is not profits in the form of dividends to shareholders. When the system is paid for, surpluses will be returned to the members, not on the basis of stock held, but in proportion to the volume of grain each has delivered. No business can operate without a patron or customer, and to return surpluses to members on the basis of their patronage is a fundamental principle of co-operation. The Pools are made up entirely of farmers, and have the farmers' point of view predominantly. Their welfare is the primary consideration. They built their elevators to provide themselves with services at the cost of operation; hence the motto on our Pool Elevators: "Service at Cost".

The Manitoba Pool Elevators installed equipment and instituted service practices hitherto practically unknown, and making them the most up-to-date grain handling system anywhere. Thirty-seven million bushels, or over 35 percent of our gross receipts have been cleaned in nine years of operation, and 66,565 tons of screenings have been returned to patrons. This, it is estimated, has meant a saving in cash on freight alone of well over \$225,000. Add to this the value of the screenings for feed purposes and it proves

the modern cleaning machinery installed when the elevators were built to have been a good investment. Two hundred and fifty thousand bushels of better seed has also been distributed through a policy inaugurated in 1929 of exchanging grain suitable for seed for grain of inferior quality.

The three Wheat Pools joined with all the other marketing co-operatives in Canada in asking our Federal and Provincial Governments for legislation modelled on the British Agricultural Marketing Act for the purpose of eliminating unfair competition and improving and regulating the methods of marketing. The Natural Products Marketing Act, with provincial enabling legislation, is now upon the Statute Books of the Dominion and the Western Provinces. Our co-operative efforts are aimed at securing a fair price to the grower for the products of his toil; a fair price—no more and no less. Certain people and interests in Western Canada are greatly disturbed over this legislation, which gives the farmers greater power to organize for the marketing of their own products. They cry out aloud that it is an unwarranted encroachment upon individual liberty.

#### FREEDOM—WHAT IS IT?

There is no such thing as unrestricted freedom in modern society. The national life in every civilized country is substantially organized, controlled and ordered, and the trend is more and more in that direction. It is not fair, nor in the interests of the country as a whole, that the constructive efforts of those who organize to improve the conditions of marketing and of agriculture should be wrecked and destroyed, in the name of freedom, by the competition on the market of the self-seeking, indifferent individualism of the few. The farmer is coming to realize that if he wants his job, he will have to conduct his business of marketing through an ordered plan, or he will lose his job. The more our efforts are organized, the more machinery, such as co-operative locals, we build for the control of our social and economic activities, the more opportunity is provided for the expression of our views and for the exercise of our franchise. It is the development of modern civilization.

The delegates at the Manitoba Pool Elevators meeting almost unanimously adopted a resolution endorsing the principles of the Natural Products Marketing Act and instructing the Board to co-operate with the other two Pools in formulating a scheme for the marketing of grains within the provisions of the Act.

The Debt Adjustment Act received much attention, and the delegates were keenly interested in its application. For, behind the question of adjustment of debt in the mind of the farmer is the thought of the security of the home and that ever recurring wish, "Oh, if only I were out of debt!" There can be no solution to the problems of the man on the land without first considering the adjustment of debts to what the farmer can pay. That is fundamental to the recovery of agriculture. Upon his land the farmer, with his wife and children, has put in the best years of his life. Give them the security of their home and the farmers will work as they have always done, and produce to feed and maintain society. Ambition will be revived, and hope and confidence restored. The resolution in support of the Debt Adjustment legislation, passed by the Federal and Provincial Parliaments, received the entire support of the meeting.

#### MARKET RAIDS

Reference was made at the convention to the question asked by Mr. J. I. McFarland through the press: "I should like to know who has any moral right to sell huge quantities of futures in the Winnipeg market at a time when Canadian farmers are delivering and selling only very moderate quantities?" That is just what we want to know. Why should anyone be allowed to use the invisible forces of speculation as a battering ram on the price structure of farmers' markets? The delegates passed a resolution urging a federal investigation into futures selling on the Winnipeg Grain Exchange.

No grain handling bodies have done as much to promote better quality

grain production as have the organized farmers through their Pools. The three Wheat Pools are co-operating with the National Barley Committee in studying the problems relating to the production, marketing and malting of barley. This Committee will give special attention to the development of types of barley best adapted to the malting trade; the requirements of the overseas markets, the zoning of areas best suited for the production of malting barley and of feed barley, the expansion of eastern markets for barley in substitution for corn, and other research. Manitoba is a leading barley province, and the delegates demonstrated their interest in a practical manner by authorizing a substantial grant in aid of this work.

#### REHABILITATION PROBLEM

Soil drifting has wrought such damage as to threaten the future of agriculture in the extensive drought areas of the three western provinces. It has become a problem of great national importance, and one that looms ever larger on the agricultural horizon in that it is spreading into areas hitherto unaffected. A memorandum from this organization had been presented to the Premier of this province, to the Prime Minister at Ottawa, and to the Federal Minister of Agriculture, urging upon the Provincial and Federal Governments the immediate institution of a survey of soil conditions in the drought areas with the view to formulating an agricultural policy for the conservation of the soil, and maintaining the home of the man on the land. This was read to the delegates and received their full support. The Honourable John Bracken at a get-together dinner on the second day, spoke of the necessity for state action for the development of a program to include tree planting, the construction of reservoirs to hold the surplus water, seeding down to grass to restore root fibre in the soil, and new farming practice to meet the changing conditions.

A co-operative is a business with a heart. This was exemplified in a resolution which instructed the Board of Manitoba Pool Elevators to again institute a Relief Fund for farm women and children in and from the drought area, with a contribution of \$5,000.00, and the said fund to be open for donations of cash or grain by farmers and others throughout the province. Last winter 1,400 farm women and children were provided through the same fund with warm clothing.

The goal of the co-operative movement is best expressed in the term "building a home". Home is an intensely practical objective, a large factor in our desire for happiness. It combines both the sentimental and the material, the place for which one lives, around which his hopes are centered and towards which his efforts can be directed. It is not a place of dreams, of idleness, of unclouded happiness—that condition exists only in the imagination of the poet and the artist—but it is the place which has the widest and strongest appeal to mankind. The ideal of the home provides that spiritual base which is necessary to the permanence of any movement. The building of a home forms the ambition of every normal young man and woman; it is their life's goal. The home is a sacred place, that for which man not only lives but will give his life to defend.

"To make a happy fireside clime  
For weans and wife;  
That's the true pathos and sublime  
Of human life".

That is what the co-operative movement is for; that is what we mean when we talk about co-operation; that is why the cause is marching on in every country. It is founded in the hearts of the people; and it was this co-operative spirit that animated the annual meeting of Manitoba Pool Elevators, and made the gathering such an inspiring and hopeful event for all who attended. This co-operative spirit is binding together the farmers of our prairie provinces in one common movement for the common good.

# The Wheat Pools' Responsibilities

*Radio Address by HENRY WISE WOOD*

*Chairman of the Board*

*Alberta Wheat Pool and Alberta Pool Elevators Limited*

OCTOBER 31st, 1934

**W**HEN the Wheat Pools decided that a grain handling system, owned by the farmers themselves, was essential to the successful functioning of our marketing operations, they decided wisely to build the best lines of country elevators and the most modern type of terminals in existence.

This is a primary responsibility of the Pools; to give efficient, economical, honest service to their patrons. They have met that responsibility or they would not be handling today more than a third of all the grain marketed in Western Canada.

But there is another responsibility resting upon the Western Wheat Pools. This responsibility is to get the producers' co-operative movement so firmly rooted on our prairies that it cannot be weakened by any blasts of propaganda nor overthrown by any economic cyclones. This responsibility rests upon the Pools because they are the outstanding demonstration in the world, of what farmers can accomplish in organizing citizenship effort on a practical business basis in the co-operative field.

Under modern industrial development resulting from applied science in production and distribution, individualism in industrial activities has practically disappeared. Through the growth of great trade units, the formation of mergers and combines, and industrial classes, the individual has become obsolete. As the greatest primary producers, farmers are the greatest selling class in the world. As the most numerous class, they are the greatest buyers. Potentially they are the most powerful industrial class. Actually, from the trading standpoint, they are the weakest. They buy as individuals and sell as individuals. All the much vaunted individualistic independence of the farmer does for him is to compel him to pay the price he is asked for what he buys and accept the price he is offered for his produce.

## THE POWER TO ACT

The Wheat Pools give the Western farmer for the first time the power—as he has always had the right—to market his own product. For hundreds, if not thousands, of years the farmer was not able to exercise this right. The wheat was his—he grew it, but all the handling and marketing facilities were in other hands. He had to take the price that others offered for his product, regardless of what profits were made in the handling of his wheat or in the gambling operations by other interests operating between the producer and the consumer.

For over half a century the farmers of Western Canada have tried to organize for the purpose of getting a square deal for agriculture. These attempts have met with partial success in bringing about some reforms, correcting some abuses. But they largely failed until the farmer learned that the only way he could effectively control business was to go into business. Trade rules the world; has always been the power behind the throne; and trade will continue to rule the world till the end of time. The influence of the unorganized mass of the people on their government is slight. The influence of great business organizations on governments is enormous. The Wheat Pools have offered the prairie farmers a means through which they can mobilize their power in a business body founded on co-operation. It is

the heavy responsibility of the Wheat Pools to exercise this power wisely and circumspectly; with courage but with wise forethought. They have long ago recognized that they have a responsibility, as the largest body of organized farmers in business, to farmers who never joined the Pools, as well as to their own members. The measures that the Wheat Pools support must be in the interests of all producers of grain, and the Wheat Pools must never lose sight of the purpose for which they came into existence; the establishment of a decent standard of living for the men, women and children on the farms of Western Canada.

### RESPONSIBILITIES OF POOLS

Until the farmers' dollar is again a hundred cent dollar the Wheat Pools have failed in their purpose. They cannot rest satisfied with making a success of their grain handling operations, paying their debts, and adding to their working capital if the farmers, who are the Pools, are unable to pay their debts and have lost or are losing any equity they have in their farms.

The Wheat Pools are carrying a responsibility to our provincial Governments. Four years ago, in order to make the initial payment, the Pools borrowed money from the Banks. They had done this every year they had been in operation on the security of the grain delivered for sale by Pool members. Wheat prices began to fall shortly after the world's greatest gambling stock balloon exploded in 1929. To prevent the wholesale slaughter and the complete collapse of the Canadian wheat market, the prairie Governments guaranteed the account of the Pools with the Banks; depending on the honesty, good faith and business ability of the Pool organizations for repayment. Every member of our Pools can share in the satisfaction that the faith of the governments in our Pools was justified, and that the debt incurred in the interest of Western grain producers is being paid back, principal and interest.

For two years the Pools had a similar responsibility to our federal Government which guaranteed our Pooling operations while we were getting on our feet. It was not necessary for the federal treasury to advance us any money. Through the loyalty of Pool members who delivered grain to our elevator system, although released from any contractual obligation to do so, and increased patronage by farmers who were not Pool members, we were able to look after our own financing. Our financial standing is now on such a sound basis that we do not require any guarantee to secure any credit we need on a straight business basis.

### TRIBUTE TO FEDERAL GOVERNMENT

It is fortunate that in the hour of the great crisis through which the wheat industry of the world is passing, the Canadian Government was awake to the gravity of the situation and had the courage and resourcefulness to adopt measures calculated to prevent a complete industrial collapse. There is evidence that throughout the length and breadth of Canada, and I fear even among our farmers who have been great beneficiaries, there is not sufficient appreciation of what the Canadian Government has accomplished during the past three years by the stabilization operations carried on under the able direction of Mr. John I. McFarland, General Manager of the Central Selling Agency of the Canadian Wheat Pool. It is true the price of wheat has been low, but no one knows how much lower the price would have gone had the Canadian Government not put its resources behind these stabilization operations. Competent authorities have estimated the increased amount received by our farmers and put into circulation in Canada through the policy pursued in the past three years, to be between one and two hundred million dollars. Another feature which is not generally recognized is that it was because the wheat growers of Western Canada were organized in a well established interprovincial unit, that the Government of Canada was able to bring its stabilization plan into being and make it operate successfully. No government could have done this without the organized co-operative support of the growers themselves. It is a splendid tribute to the efficiency of their industrial organization that one hundred and forty thousand wheat

growers of Western Canada, by concentrating their efforts on the business aspect of their industry, were able in the short space of ten years, to build an institution which was not only capable of surviving the greatest depression of the ages, but one which when the crisis came, was the instrument chosen by the Canadian Government through which to save the farming industry of Canada from absolute ruin.

There never was a more foolish and mischievous saying than: "Competition is the life of trade." Competition; wasteful, destructive, greedy and ruthless; is the death of trade. Only co-operation can revive world trade, now sick almost unto death from the wounds inflicted by blind, insane competition. It is above all others the responsibility of the Wheat Pools to stand firm on the co-operative foundations on which they have been established.

It is far more necessary for us to practice co-operation than to preach it. The world may not listen to what we say, but it will watch what we do.

# The Land We Live On

*Radio Address by PAUL F. BREDT  
President Manitoba Pool Elevators Limited*

NOVEMBER 7th, 1934

ALL through the ages it has been the dream and ambition of every normal man to have a piece of land which he could call his own—a place to provide shelter for himself and those near and dear to him. This love for the land and pride of ownership in the home is common to all civilized races. It is no doubt stronger in Great Britain and on the continent of Europe, where, generation after generation, descendants of the same family have occupied their ancestral acres, than in the more recently occupied sections of our own Canadian West. The love for the home, however, is in the blood of our people, and the ties that bind us to the soil are becoming stronger with the passing of the years; as a larger percentage of our people are of Western birth. There is also growing up amongst us, as in the older countries, a more definite recognition that the land we live on is not merely a field for careless exploitation, but a heritage we should use wisely for ourselves and pass along with its fertility unimpaired to the generations coming after us.

All we, who are living in Western Canada, are directly or indirectly affected by the success of our farmers in wresting a living from the soil. While unfortunately the full realization of this fact has as yet not come to all our urban population, there is now, due to the difficulties of the past few years, a greater appreciation thereof; and there is almost as much rejoicing in our cities as there is in the country when a period of dry weather is broken by rain. And, of course, every good shower in June is hailed by the optimists as "a million dollar rain".

The history of the development of Western Canadian agriculture is a stirring tale of pioneering, of tremendous difficulties and of great hardships experienced in "the Great Lone Land", as an early visitor to Western Canada described it. It is a story of all obstacles faced and overcome with courage and determination.

## A CENTURY OF PROGRESS

The coming of the Selkirk Settlers in 1812 marked the beginning of colonization; the first attempt at agricultural development in Western Canada. But it seemed as if all the forces of Nature were leagued to prevent them from harvesting a crop. Drought reduced it; frost nipped it; flocks of passenger pigeons ate the ripe grain, and grasshopper plagues as widespread as the present infestation in Western Canada, ate every green thing. Indomitable courage and perseverance won out. But it was not until 1876, more than fifty years after, that the first shipment of wheat from Western Canada took place—857 bushels bought for seed by a Toronto dealer. The following year the first shipment of wheat, a very small one, was sent to the United Kingdom. It is a long step from these small beginnings to the great stream of wheat which has flowed ever since from Western Canada to the markets of the world.

In 1928 we produced on the farms of Western Canada five hundred and forty-four million bushels of wheat and over seven hundred and twenty million bushels of coarse grains; over a billion and a quarter bushels of grain in an area where a hundred years ago there were only a few thousand acres under cultivation.

As the picture of this vast and fertile land coming slowly under cultivation begins to unfold, we see a rapidly accelerating rate of development; thousands of new settlers being drawn from Europe, Eastern Canada, and from across the line, to the last area of free or cheap land in the new world.

New varieties of wheat better adapted to our climatic conditions were bred and developed, ever pushing further and further North and West the wheat growing area.

Under the pressure of war, with the frantic demands of the Allies for wheat, there was rapid expansion of acreage and production, which continued for some years afterwards, the maximum wheat acreage of 27,182,100 being reached in 1932.

The picture of grain growing on the vast area which for a thousand years and more was open range for buffaloes and antelope, is one which stirs the imagination—the tough prairie sod being turned over in millions of acres by innumerable plows drawn by oxen, horses and tractors, followed by tillage implements to pulverize the soil and prepare it for the drill; the coming of the harvest with the clatter of binders and later on the hum and the steady drone of threshers and combines; and finally the endless stream of wagons and trucks delivering “golden grain” to the elevators at every station and siding.

It is indeed a story of achievement, of progress, and for a brief period, of prosperity; and yet within the past few years in this land of plenty we are faced with want and misery. Is it possible that we have produced too much? Are we injuring instead of helping ourselves by producing more of some products than the world will buy, even when it is freely offered below the cost of production? Undoubtedly an excess of unwanted wheat has been a major factor in bringing about the calamitous fall in the price of our chief product.

#### DIVERSIFIED FARMING

In reviewing the expansion of our wheat production I do not wish to leave the impression which is so widely held, that Western farmers have devoted their entire attention to wheat mining and have neglected other branches of agriculture. Nothing could be further from the truth. Our farms are larger than Eastern Canadian farms. They have to be for economical production in all countries of light rainfall. But farm for farm, except in a few areas unsuited for diversified agriculture, more livestock per farm is found in the West than in Eastern Canada. An area which produces annually, except when parched by drought, more than a hundred million pounds of butter cannot be regarded as devoting its attention exclusively to “wheat mining”. The millions of cattle, horses, hogs, hundreds of thousands of sheep, the millions of domestic fowl on our prairie farms, have been given a second place only because of the tremendous importance to Canada of our cereal industry, on which the welfare not only of Western Canada but of the whole Dominion depends.

#### REHABILITATION PROBLEM

In the past few years we have experienced not one but a series of calamities. Drought and grasshoppers have destroyed the crop on millions of acres. Soil drifting has likely permanently injured a considerable section and enormously added to the difficulties of cultivation in far greater areas. Is this a warning by Nature herself that we should take stock? Have we failed to make the best use of our fertile acres? Is it not high time that all who have the welfare of this land we live on, at heart, should seriously and soberly consider what adjustments should be made in our farming practices? Is it not our duty to search out what measures should be taken to restore and preserve the drought districts; areas which have contributed so largely to the wealth of Canada in years past and may do so again if the right policies are adopted in helping the sorely tried people in these areas to get on their feet again? In the light of recent experience we know that mistakes have been made in bringing certain sections of the West into grain production. Excellent ranching lands have been turned into poor farming areas, entailing the expenditure of millions of dollars for schools, roads, and bridges, and now misery and privation is the lot of the settlers on these very lands. Fortunately there is still time to rectify most of our early mistakes. Our country is still young and there is not a finer type of people to be found anywhere than the majority of those who are struggling against such desperate odds in these stricken districts. Over the greater part of these areas where the

soil fibre has been destroyed, it can be restored. We may have tried thoughtlessly and perhaps too hastily to extract the riches of our soil, but while admittedly the soil, under such management, is not what it used to be, it is by no means "played out". The exceptionally high quality of our wheat in the past three seasons is conclusive proof of this. We cannot change our climate, but we can, by properly adjusting our farming practices, guard to a considerable extent against such enormous losses as we have experienced in the past few years.

The problem we are facing is such a tremendous one that it requires the most careful and diligent investigation and research. It is of such magnitude that it must be regarded as a major national problem, requiring the whole-hearted co-operation of our Federal and Provincial Governments, which should employ the best experts available to make a proper diagnosis before the policy best adapted to meet existing conditions is undertaken.

In order to assure the success of any policy which may be adopted, it is essential to secure the co-operation of the settlers in the affected area and of our various farm organizations. We must also have the sympathetic understanding and support of all financial, commercial, and transportation interests, who should be, and who are, just as vitally concerned in the recovery of Western Agriculture as the men and women on the land themselves. The part which more particularly our own co-operative marketing agencies must fill in this recovery, is being dealt with by other speakers in this series of Pool broadcasts.

#### CO-OPERATIVE ACTION ESSENTIAL

I have not spoken much of co-operation in this talk. It is not necessary. The co-operative spirit is permanently woven into the warp and woof of the life of Western Canada. In the past the Selkirk Settlers, the early pioneers, practiced co-operation without giving it a name. At the present no finer example of true co-operation could be given than the generous assistance extended from the areas of good crops to our unfortunate neighbors in the dried-out sections, who for years on end have reaped no harvests—but that is another story. The task before us now, is to see what can be done to prevent these conditions again arising in the future.

A policy to deal with the problems of drought and soil drifting would be admirably suited to fit in with an urgently needed National Agricultural Policy. Such a policy should not necessarily be confined to the rehabilitation of the dried-out areas. It should make provision, amongst other things, for a comprehensive soil survey and the zoning of all areas most suited to the growing of wheat or coarse grains. The question of water supply, and the consequent adaptability for livestock production, should receive attention, and regulations may also be necessary to prevent the wholesale destruction and clearing out of the bush and timber in the wooded areas. Opposition may be encountered in convincing some of our own people of the necessity of modifying present farming practices, which have been more or less successfully carried out ever since the West was settled. Recurring droughts, however, each leaving more drastic damage and permanent loss in its train, are a warning to us that dry periods are certain to occur again and again, and unless proper measures are taken, are apt to embrace ever greater areas and be more severe in their effects.

We are wonderfully fortunate in the possession of some of the richest lands on the earth's surface, carefully preserved by Nature for thousands of years. We are fortunate in our varied population—intelligent, progressive, and hard working. Our climate is severe but invigorating. It develops the best qualities in our men and women as it does in our wheat. Surely this great Empire of the West, that cost so much to win, is worth preserving. It is time that we, as individuals, take more than a passing interest in matters that are vital to our own welfare and to those coming after us. Let me repeat in closing we must realize our duties and responsibilities towards this great heritage: The Land We Live On. Let us use it properly; let us improve instead of wasting it, and finally pass it on unimpaired to the generations which are to come.

# Saskatchewan Takes Stock

*Radio Address by GEORGE W. ROBERTSON*

*Secretary Saskatchewan Wheat Pool*

NOVEMBER 14th, 1934

THE end of the war in 1918 found this Province with largely increased productive facilities. Stimulated by the ever-increasing demand for wheat and more wheat by the allied nations during the war years, and encouraged by the Government of the day, it is probable that the volume of wheat produced per man engaged in wheat growing has never been exceeded by any agricultural unit in the world.

In any discussion of what we have since come to know as the "wheat problem" it is important that we should remember this significant period of our wheat growing development—the tragic years of 1914-1918.

As a direct result of her war contribution, Canada had taken her place as an equal in the councils of the nations, and in the succeeding years, rapidly established herself as one of the important trading nations of the world. In this development the ever-increasing volume of wheat flowing from Saskatchewan farms played an exceedingly important part. The net result was that Saskatchewan farmers could no longer maintain their isolation from international affairs.

In recent times international problems have been left on our very doorstep. The wheat stream which for years had spelled prosperity for the Province as for the Dominion threatened to become dammed up; not at its source but at its outlet in the overseas countries. As a result the Saskatchewan farmer of today has a wider grasp of international affairs than almost any other agricultural people in the world.

## WHEAT—THE CORNERSTONE

Most of the history of this Province has been recorded within the memory of men and women still living. Through it all runs the story of wheat; through it runs the story of the refusal of the farmers of Saskatchewan to allow a peasant status to be forced upon them; of the determination of these same farmers to improve by co-operation the standard of living in the farm homes of this Province. I do not think it is too much to say that the actual history of Saskatchewan is in a very great degree the history of the continuous effort of her farmers to develop a system of marketing grain through co-operation; the foundation of which would be equity as between man and man and between producer and consumer.

The present widespread co-operative development in this Province may well be regarded as a tribute to the far seeing pioneers who established their homes on these prairies in the earlier days, and who determined that they would build into the agricultural development of this Province the enduring elements of co-operation which had served them so well in the pioneering stages.

It is not so long since a small group of pioneer farmers in the Indian Head district challenged the right of the then all powerful Canadian Pacific Railway to decide how grain should be handled at a country shipping point. Most of you are familiar with the magnificent struggle of that day. The first step in co-operative grain marketing in Saskatchewan was taken when that action was won. The fact was established for all time that if the interests of the farmers were to be safeguarded there must be co-operation through organization.

## FARMERS HAVE ADVANCED

We have travelled far from that first effort at organization to reach the modern up-to-date grain handling and marketing system—probably the largest single grain handling system in the world—which today serves the interests of the farmer co-operators in this Province and which is generally known as the Saskatchewan Pool.

During the past week 160 delegates representing nearly 100,000 shareholders of the Saskatchewan Wheat Pool met in their tenth annual meeting to review the work of their organization for the past year and to discuss and develop policies for the coming year. The year under review has been one of solid accomplishment and consolidation for this farmer-owned organization. In spite of low yields and partial or complete crop failure over wide areas in the Province the result of drought, wind, soil drifting and of other ills to which agriculture is heir, the net financial results of last year's operations were good. The thousand country elevators scattered throughout the length and breadth of Saskatchewan had provided service of a high order to their farmer members. The terminal elevators at the Head of the Lakes had performed their useful functions efficiently and well.

In spite of a much reduced crop production during the past year, and in face of the keenest kind of competition, the percentage of grain handled by this organization was maintained. The report submitted by the directors showed a total of 60,367,633 bushels of grain handled by the Pool's Elevator System last year. This represents 43.51% of all grain delivered at country elevator points in the Province of Saskatchewan during the past year. The Consolidated Balance Sheet submitted to the delegates showed total current assets of the organization amounting to \$17,971,000.00 with total current liabilities of \$11,851,000.00. After providing for the completion of certain work under construction, the surplus available for working capital for the season 1934-35 amounts to \$6,017,831.00.

## ENCOURAGING RESULTS

Operating earnings of the Pool's country and terminal elevator systems at the end of the past fiscal year amounted to \$2,339,000.00. After providing for full depreciation on the entire system amounting to \$1,255,000.00 and after making provision for the interest on the 1929 pool overpayment accrued to July 31st, 1934, amounting to \$661,813.00, together with a few other smaller amounts, the balance of \$348,153.21 representing the net profit from the operations of the Company was shown as having been transferred to reserve account. The financial report submitted to the delegates showed that all payments due to the Government of Saskatchewan in connection with the 1929 pool overpayment were met in full at due date.

The balance sheet of this farmer owned and farmer operated grain handling organization will make interesting reading for those interests who less than four years ago were all too ready to declare that the financial burden placed upon its shoulders as a direct result of the disastrous decline in grain price levels in 1929 was more than it could bear.

I have been dealing with very large figures; millions of dollars and millions of bushels of grain, but there is another asset in this organization which does not appear on its balance sheet and which has a value probably in excess of all of its other assets. I am referring to the loyalty of the farmers of Saskatchewan to their own organization under exceedingly difficult conditions. The seed of co-operative effort planted by the pioneer settlers in the early days has become a mighty tree, strong enough to withstand the most severe economic storms which have ever swept across this Province. The stone which we were advised to reject only three or four years ago has become the corner stone of an economic structure which in the days that lie ahead will, I firmly believe, provide greater economic security.

## TRIALS AND TRIBULATIONS

The farmers of this Province have been called upon to bear more than their share of difficulties during the past four or five years: continued drought,

soil drifting, grasshopper destruction, resulting in partial or absolute crop failure over wide areas, have created a condition comparable in some degree to the war ridden areas of Europe at the close of 1918. Only those who have lived in these areas, who have seen the clouds of dust blacken the skies, who have tried to seed a crop once, twice and even three times and have seen their effort go for naught, who have seen their crop sprout and start to grow withering up under cloudless skies; only these can appreciate fully the conditions in a large part of Saskatchewan. There is no need for me to elaborate these experiences, but I often think that the past four or five years in Southern Saskatchewan have left a mark on the lives of many of the families living in these areas, a mark which will never be quite erased.

As a direct result problems of indebtedness have increased many fold.

The delegates and directors of this organization have always deemed it their duty to take cognizance of these conditions. So far as lay within their power they have co-operated in the past and will continue to co-operate in the future with the Governments both Provincial and Federal in working out solutions for these many problems.

There are those who say it is no part of the business of a grain handling organization to spend its efforts other than in the business of handling and marketing grain. To any of you who may be thinking that way I would remind you that the very foundation of the agricultural co-operative movement is the farm home, and that the primary function of co-operative organization is the improvement of living conditions in the farm homes of Western Canada. Ours is the job to see that so far as lies within our power these conditions will not and cannot happen to those who come after us. True it is that the co-operative movement cannot make rain where there is no rain; but it can assist in developing an agricultural policy adequate to the needs of the farmers of this Province.

#### FARMERS AND MARKETING

It was the crying need for an improved system of marketing to replace the speculative system which had utterly failed to function in the years immediately following the close of the war which brought the Saskatchewan Wheat Pool into existence. Questions of marketing have always been uppermost in the discussions of the annual meetings of this organization and the tenth annual meeting was no exception. After surveying the whole situation the delegates reaffirmed a decision arrived at several years ago that under existing conditions a National Marketing Board would provide the best solution to our present marketing difficulties. I have not space here to elaborate the sound reasoning which led up to this decision. Two reasons only need be advanced. The first is that the present system of marketing our grain, based on speculation, has absolutely failed to meet the changed world conditions arising from the Great War. There is general recognition that the standard of living in the farm homes of this Province is bound up with the price level of wheat. Pool delegates are satisfied that there must be a firmer foundation for our economic structure than can possibly be established by the whims and vagaries of the speculative mind. The second reason is that the Pool members of this Province very firmly believe that the wheat situation presents an international problem; that values and price levels must ultimately be established by some measure of agreement between those who produce and those who consume; and that before an international co-operation can be fully effective there must be an adequate measure of control over the movement and marketing of the exportable surpluses which go to make up the international trade in wheat.

Following this decision which has been arrived at by the Pool delegates during the present week, we can anticipate opposition developing from the interests likely to be affected. There will be those who tell us that the establishment of a National Marketing Board will be a curtailment of the liberty of the individual farmer to dispose of his own product as he sees fit. To these I would quote from the farewell message to the Liberal Party of that great British statesman, the late Earl of Oxford and Asquith, when he declared: "And liberty (as I have often preached) in our understanding of it

means liberty in its positive as well as its negative sense. A man is not free unless he is at liberty to combine with his fellows for any lawful purpose in which they have a common interest. Nor is there any real freedom in industry if it is carried on under conditions which are injurious. . . . The liberty of each is circumscribed by the liberty of all." I think that last sentence is the crux of the whole matter.

#### GOVERNMENT INTERFERENCE

There will be those who tell us that the Government of Canada has no right to interfere with the grain trade. To those I would point out that the Government of Canada has been interfering with the grain trade ever since the Canada Grain Act was first placed upon the statute books. The grain trade of Canada is controlled and regulated by a Government board—the Board of Grain Commissioners.

Our friends in the towns and cities will be told that the Government of Canada has no right to place the resources of the nation behind a single industry. To those I would say that at different times during the past four years the grain trade within Canada could not have functioned had the resources of Canada not been placed behind the grain trade. On different occasions only the guarantees of the Government of Canada have made it possible for farmers to sell their wheat at country elevator points. If the Government of Canada had not been prepared to provide the necessary guarantees to enable the hedges of the country elevators to be taken up it would have been impossible for a single elevator company in Western Canada to function as a buyer of grain in this year's crop season. The establishment of a National Marketing Agency simply means to the farmer the placing of the grain business of Western Canada on a sound business basis.

Looking back over the years, while it is obvious that substantial progress has been made in the development of agricultural co-operation in Western Canada there are some of us who think that we have not travelled fast enough, that there is much ground yet to be covered before the spirit of co-operation will permeate the economic structure. I would just like to suggest in conclusion that while we may freely admit that the path which leads to economic justice and equity—the co-operative road—has been strewn with more difficulties than some may have expected; much improvement is evident. A wider appreciation of the principles of agricultural co-operation will develop a better type of co-operative highway. I firmly believe that the Co-operative Movement holds the answer to many problems facing the people of the world today. The co-operative road leads not only to improved economic conditions but is also a vital factor in the cause of national and international peace and goodwill.

# The Wheat Pools and the Farm Boy

*Radio Address by BEN S. PLUMER*

*Director Alberta Wheat Pool*

NOVEMBER 21st, 1934

THE WHEAT POOL movement in Western Canada is little more than eleven years old. It is consequently still in its infancy. During its brief life it has been confronted with a multiplicity of problems. In fact from my own experience as a director I would say that the Pools never seem to be free from at least several major problems. Consequently those engaged in the development of the movement and the carrying on of the practical work have not been able to devote sufficient time to problems which may be of equal or even greater importance but which seem not to be quite so pressing. One of these is the Problem of Rural Education. This brings me to the subject of this discourse: "The Farm Boy." Sometimes I think that if those of us who are close to this Pool movement had let a lot of other matters go—matters we considered of first importance—and devoted more of our time and energy to the Farm Boy, our cause would have made more permanent progress.

Every thinking person knows that an intelligent, productive people on the land is very much desired in Canada; that a prosperous people on the land strengthens the entire fabric of national life; that prosperity on the land transmits prosperity to all the people; that unless the farm people of Canada remain intelligent, productive and prosperous the nation cannot permanently prosper. Ultimately all will go up with the farmer, or all will go down with him.

Western Canada was fortunate in that in the beginning her virgin lands were settled by an unusually competent people. These people gave an excellent account of themselves. But the march of events has brought about changes that must alarm all careful observers of conditions. The trend has been towards smaller farm profits, lower rural standards of living, a widening disparity between city and farm life and consequently a draining of the best ability in our farm youth from the countryside, and a confusion and uncertainty among our farm people.

## YOUTH DESERTING FARMING

What is the significance of this drift of the most capable young people away from the farm? What will be the ultimate result if the ablest boys leave the farm never to go back? What type of people will be left on the farms if this continues? Is not this the direct road to farm peasantry? And if our farming population is permitted to fall to the level of a mere agricultural peasantry they will carry down with them the general social and economic level.

To prevent this tragedy the first essential is to devise ways and means of restoring economic opportunity to the land. This will not be done until the buying power of the farm is raised to a point where those who labor upon the land will be enabled to earn sufficient to gradually pay off their indebtedness, and to maintain a standard of living and of opportunity equal to that found in our Canadian cities.

But how is the buying power to be raised? Experience has shown that the most effective way is to adopt the same means which has increased the buying power of other industries, namely, group marketing of the products produced. So long as labor and capital in other industries are highly organized for the group marketing of their products and farmers are not, the farmer

must continue to sell at the other man's price and to buy at the other man's price. This one-sided bargaining will continue to depreciate the buying power of the farm. But when farmers are effectively organized for group marketing of farm commodities they will be able to bring their bargaining power to a par with that of other industrial groups with whom they exchange products. When well done, group marketing secures to competent productive farmers a sufficient share of the new wealth they produce to enable them to pay their cost of production, their debts and taxes, and to maintain a standard of living and an equality of opportunity which will hold a fair share of the most competent boys on the farm to be the next generation of farmers.

### EDUCATION NEEDED

The biggest handicap confronting the farm organizations which are engaged in building up the co-operatives so requisite for group marketing is ignorance and selfishness among the individual growers of farm commodities. Education is the most effective means of removing this fatal weakness. The larger the number of producers involved in a marketing scheme, the greater the area in which the product is grown, the more indispensable does education become. Common men acting as individual producers on independent units of land cannot make a success of large group undertakings until they are prepared to comprehend intelligently the business principles involved, and to give willing obedience to self-constituted authority in putting those principles into effect.

Unless the farm group, living as it does in the midst of a modern, highly organized economic world, is sufficiently well educated to practice co-operative marketing successfully the economic life of the rural community must deteriorate more and more. The best hope for the future of agriculture in Western Canada rests with the farm boys because they can more readily be educated to see the hope in abandoning the ways of the past and adopting the forward policies which modern civilization demands for the ensuring of success. The time to educate people is in youth. The farmer must be educated as a boy or lose out as a man. He has no other alternative. Denmark, and Sweden, and Norway have learned the lesson effectively, hence their folk schools, their highly-efficient and successful co-operatives, based on a thorough grounding of the individual as a youth. The youth of Western Canada must be similarly educated for successful co-operative agriculture or the farm people must sink into economic servitude.

### HEAVY RESPONSIBILITY OF YOUTH

The farm youth of Western Canada must have better organization and better education if they are to overcome the handicap of rural conditions and win in the great game of life. The best-educated and most intelligent farm boys have been leaving the farms for years, until the depression halted the move to some degree. There will be a resumption of that movement when better times return, until the farm group is sufficiently well organized to raise its standard of living. The youth on our farms today have a hard task. They must play an uphill game. They face these tremendous difficulties; the task of bringing the buying power of the farm up on a level with the buying power of other groups; the task of maintaining the standard of intelligence on the farm; the task of sticking together in successful co-operative enterprises; the task of controlling the surplus of farm products; the task of securing competent managers for their business machines; the task of organizing political power in order to get a full measure of justice for the rural people; the task of making themselves the owners of the land they cultivate; the task of maintaining the fertility of the soil; the task of caring for the tax load.

As a director of the Alberta Wheat Pool for going on twelve years, and as a farmer who has spent many years in Alberta, I am absolutely convinced that this generation of farmers can only make a certain amount of halting progress. We must depend on our farm boys to carry on from where we leave off. They require above all else sound education not only in the

three R's, and high school and, if possible, university courses, but also a thorough grounding in the principles of co-operating marketing.

We cannot, we dare not, neglect the education of our farm boys in the important things of life; and what is more important than the farm economics problem? The matter has been allowed to lag entirely too much. Other interests seemingly more important, have been allowed to take priority. But if our organizations are going to make progress; if farm life is going to advance as it ought; if we are going to build a permanent and progressive agriculture in Western Canada; we dare not neglect the proper education and instruction of our farm youth.

#### **INDIVIDUALISM BECOMING OBSOLETE**

Complex forces are at work shaping the way for a new method of living. The trend as far as can be observed is from the old individualism towards a new groupism. It is quite likely that the highly organized groups will dominate more and more in the future. Certainly it seems obvious that a profound change is coming. The old individualism is doomed and it cannot be rescued. Agriculture, of all human activities, has been the most stubborn stronghold of individualism. And the farmers of the world have been suffering the fate of individualists in a highly organized world. They have been too addicted to playing a lone hand against mighty organized forces, the strength of which they are but dimly aware of. The only loophole left for the farm people is to get organized as the rest of the people are organized. The principal hope lies with the farm youth in this respect; for the coming generation, not manacled by hopeless tradition, are free to see things as they are.

Farmers of Western Canada; the challenge is to wake up and gird yourselves for the battle. The call to you is to stand up and be men among men, business men among business men, statesmen among statesmen. Your opponents have organized and are organizing. They are schooling their youth to win the great game. They have made great progress. Their present weakness is the fact that you are weak. Will you take your proper place in this Dominion of Canada and educate your sons to be even better men than you, or will you send them into life under a hopeless handicap?

# Neighbors in Adversity

*Radio Address by COLIN H. BURNELL  
Vice-President Manitoba Pool Elevators Limited*

NOVEMBER 28th, 1934

**T**HREE is an old saying which runs like this: "It is a comfort to the unfortunate to have had companions in woe". According to those people who find delight in discovering the origin of things this saying goes back to the fourteenth century. This being an age of efficiency and economy, we have cut it down to: "Misery Loves Company", and tonight I wish to say something about the companions in misery of our Western farmers and what has been done and is being done not only to relieve the misery but, if humanly possible, to end it.

It has become a commonplace and it is hardly necessary for me to repeat it, that the depression beginning in 1929 and the subsequent unparalleled decline in prices hit agriculture far harder than any other element in the economic structure of the nations. In Europe agriculture had been struggling painfully to overcome the devastations of the war and to regain its pre-war position, and the governments of the dominantly agricultural countries had been, and still are, trying desperately to increase production and exports in order to cope with the great burden of foreign debt. On the other hand, the great wheat exporting countries, during and immediately after the war, had built up a great foreign trade which they were anxious to retain. In these circumstances when the great collapse came in 1929 and in 1931 became the greatest economic disaster the world has seen, practically every civilized nation sought to protect its primary industries against the rapidly spreading economic disorganization due to the terrific fall in prices. These efforts took the form of tariff increases, restrictions of imports by quotas and other kinds of regulation, price fixing measures, control of production and marketing, monetary measures intended to raise agricultural prices, and so on.

## A REGULATED WORLD

Let me summarize this new world development: In thirty-eight countries the governments have instituted price supporting measures of one kind or another. Of these countries twenty-seven have established marketing control of one or more commodities through organizations of producers; in twenty-three government monopolies of greater or lesser extent have been created; in twenty-five minimum prices for home consumed agricultural products have been fixed; in fifteen measures for control of production have been adopted; in eighteen imports of agricultural produce have been regulated by quotas, and in twelve the milling industry has come under regulations with regard to the quantities of imported wheat in the making of flour. This is a tremendous change in economic policies from those prevailing before the war and even up to 1929.

There are four agricultural exporting countries in Europe which are generally referred to as the Danubian countries—Hungary, Roumania, Bulgaria and Jugoslavia. These countries suffered severely during the war and it will help to an understanding of the condition to which their farmers were reduced when I tell you that in the years following the war the farmers in Bulgaria and Hungary were paying up to 20 per cent. interest on short term loans; in Roumania they were paying from 25 to 40 per cent. and in Jugoslavia from 40 up to 100 per cent. Long term loans for agriculture are practically unobtainable in these countries.

In these countries almost everything has been tried to get agriculture on its feet—restrictions of imports, bounties on exports, marketing monopolies, lowering of interest rates, moratoria on farm debts, stabilization of prices, and direct farm relief, all of which doubtless helped some, but the one great thing needful, namely, a general rise in agricultural prices, is still lacking.

In Norway and Sweden the growers of grain are not only protected against outside competition but are guaranteed fixed prices for the home consumption. The import of cereals is under rigid control and the export of dairy produce and some livestock is also under organized control. In addition the domestic marketing of eggs is under organized control, together with hogs and hog products.

In Denmark, where co-operative marketing has been such a great success, the government has found it necessary to abandon a free trade policy, to restrict imports, to control the export trade, to control both production and marketing of livestock—even to the extent of destroying thousands of heads of livestock—to maintain minimum prices in the home market, to reduce farm mortgages and interest rates and to furnish new agricultural credit through government agencies.

In Germany it is not an exaggeration to say that agriculture has become a ward of the state and both marketing and production have come under control and regulation, and at the same time the home market has been practically assured for the home producer. In other European countries once open for the produce of the Canadian farm, some of the restrictions I have mentioned are in force, all intended to aid agriculture and more particularly to shelter it from outside competition.

I should not omit mention of Italy, where the entire vocation of agriculture is organized into (1) master farmers, (2) agricultural workers, (3) agricultural experts, and through an organization composed of representatives from these three primary organizations, the whole business of agriculture comes under system and planning. In 1925 Premier Mussolini started The Battle of Wheat, with the result that Italy is now nearly self-sufficing in the matter of her bread cereal supplies.

#### BRITISH EMPIRE REGULATIONS

Now let us look at what has been done in our sister Dominions—all of them exporters to the markets of Europe and especially the British market. In Australia the government early in the depression lowered the value of the currency and thus helped to maintain home prices. The decline in prices, however, was too great to make this plan entirely effective and it has been supplemented by bonuses on wheat, cotton, and flax, direct farm relief, and by the vigorous promotion of collective marketing. Australia is the home of organized marketing of agricultural products under legislation. In Queensland there are over a dozen marketing boards handling practically every product of the farm, and this system has operated in the state for twelve years. Marketing boards also operate in other states. The export of fruit is controlled by a federal marketing board and recently the dairy industry has come under similar control, having been previously controlled by the organization of the entire dairy industry, including of course the producers.

Australia's near neighbor, New Zealand, has in operation boards controlling the export of meat, dairy products, fruit and honey. These boards set up regulations with regard to the quality of the product and the storing of it. They also spend a large amount annually in the United Kingdom advertising and exhibiting New Zealand products.

Besides following the almost universal practice of restricting competitive agricultural imports, the Union of South Africa maintains a long list of agricultural commodities upon which an export bounty is paid. These bounties were originally paid to encourage exports so as to enable South Africa to remain on the gold standard, but many remained after the Union abandoned the gold standard in 1932. Dairy produce comes under a Dairy Control Board which has power to regulate and control dairying, to grant loans to producers, to promote consumption and exportation, to stabilize

prices, to prohibit import or export and to set grade standards. The funds for the Board are raised by a special levy on the product. Meat, maize and tobacco are also under control and regulation.

#### THE U.S.A.

It would take more than a single broadcast to tell in detail what is being done for our immediate farmer neighbors in the United States. I have only time to say that the Agricultural Adjustment Act passed in May, 1933, gives power to the Secretary of Agriculture to take steps to increase agricultural prices to the point where they will give to the farmers a purchasing power equal to what they had before the war. To do this the administration has established a form of control over the production and marketing of wheat, cotton, corn, hogs, rice, tobacco, milk and its products, and has paid out to farmers hundreds of millions of dollars as compensation under the provisions of the Act. In addition a central bank for co-operatives was established last year and in its first year of operation has advanced as loans to farmers' co-operative associations the sum of \$59,908,000.

#### THE HOME OF FREE TRADE

And now let us take a look at Great Britain—the land of Adam Smith and John Stuart Mill, open competition and free trade, the pursuit of intelligent self-interest, rugged individualism and no interference with business. For nearly a century British agriculture has been exposed to the unrestricted competition of countries bringing virgin lands under cultivation and utilizing every new mechanical invention and labor saving device under conditions of large scale farming. British agriculture had known no protection against this competition and no state subvention either direct or indirect, from 1846 up to 1931. In the latter year a most drastic departure from old policies was made with the passing of the Agricultural Marketing Act, and in the following year there began a system of aids and subsidies which have involved the distribution of many millions of dollars among British farmers.

With regard to wheat, for example, the state guarantees to farmers a price of approximately \$1.30 a bushel up to a total marketing of 50,400,000 bushels, which is practically the limit of British wheat production. The money for this subsidy is derived from a levy on all wheat milled in the country. There is also a substantial subsidy paid on the production of sugar beets and under the Agricultural Marketing Act there are schemes in operation under which minimum prices are established for certain other farm products.

I have not the time to go fully into the details of the British Agricultural Marketing Act, which covers a very large field of agricultural activities; but, as many in this country are in the habit of looking to the Old Country for sound guidance in political, social and economic matters, but more especially because some people think they have sufficiently denounced our own legislation along similar lines by branding it "Un-British", it is desirable to refer briefly to the salient features of the British Agricultural Marketing Act.

First let me quote from the preamble to the Act: "An Act to enable schemes to be made for regulating the marketing of agricultural products; to confer powers upon boards and other bodies to be constituted in connection with, or acting for purposes connected with such schemes; to establish agricultural marketing funds for the purpose of making loans thereout to the Boards aforesaid; to encourage agricultural co-operation, research and education; and to provide for purposes connected with the matters aforesaid."

Let me repeat what the legislation provides for: First, the preparation of schemes by producers or others for the regulation of the marketing of agricultural products; secondly the delegation of wide powers to boards set up under such schemes to regulate and control marketing even to the extent of fixing minimum prices and restricting or prohibiting imports; thirdly, funds out of which loans may be made to such boards for the promotion and

the organization of the scheme; and last, but in my opinion certainly not the least of the provisions, encouragement to agricultural co-operation, research and education.

#### A CHANGING WORLD

Now, let me repeat, this kind of legislation is neither new nor unique. They have it in Australia, New Zealand, South Africa, Germany, Norway, Sweden, and other countries; and since the last session of the Dominion Parliament, in Canada as well. It is no accident that in every civilized country on the globe special action of one kind or another for the promotion of the economic welfare of the farmers has become the rule instead of, as in pre-war days, the exception. And it is not altogether because of the conditions of international trade, the surplus of wheat and other agricultural products, monetary complications or foreign debts compelling more exports and less imports that this change has come in the attitude toward agriculture. These things have certainly been factors in the change. But the main factor is the enormous impulse which has been given during the last few years to the idea of human welfare and the raising of the economic status of the masses of the people. Is it not tragic to think that from 1914 to 1918, while millions of the physically fittest of the nations were engaged in slaughtering each other, there was no misery from unemployment and no destitution because of ruinously low prices. The necessities of war demanded the organization and the most efficient utilization of each nation's resources. Why cannot agriculture and industry be organized for peace and in the process why cannot some reasonable degree of equality be established among the various elements in the national economic structure? It is in answer to that question that all this legislation and all this organization with the aid of the state is going on throughout the world, and everywhere its purpose is to give to agriculture as good a status in the economic structure as that enjoyed by others. For a hundred years, Sir Josiah Stamp has said, the world has got its requirements from the farms at below cost of production; in plain words the farmers have been the slaves of civilization. That period is coming to an end and we will get out of it all the quicker if farmers will only realize the vast importance of organizing to promote their common interest and utilizing whatever opportunities lie at their door to raise their vocation to a place in the national economy worthy of its value and importance.

# Alberta's Achievements

*Radio Address by LEW HUTCHINSON  
Director Alberta Wheat Pool*

DECEMBER 5th, 1934

THE progress made by the Alberta Wheat Pool during the past business year may not have been spectacular; but it was at least satisfactory.

A net operating earning of approximately \$78,000 was obtained after allowing \$525,000 for depreciation, and after paying \$275,000 interest on bonds guaranteed by the government of Alberta. The most encouraging feature of the year's operations was the demonstration that this comprehensive elevator system operated by the Pool, can, with the support of Alberta grain growers, effect a moderate earning in one of the most difficult years from a grain handling standpoint that the province has ever experienced.

In the year covered by the operations mentioned the Alberta Wheat crop was 95 million bushels. The previous year it totalled 165 million bushels, a reduction of 70 million. That in itself explains many of the difficulties of the year without going further into details.

During the year under review the Alberta Pool reduced the obligation to the Provincial Government by a substantial payment on the principal as well as payment of the interest. It also effected a reduction in its indebtedness on the five million bushel terminal at Vancouver. This huge structure, the world's largest terminal on salt water, cost three million dollars. The balance due on it has been reduced to \$750,000—down half a million dollars from a year ago. Furthermore, the liquid assets of the Alberta Wheat Pool have been increased to a total of more than four million dollars.

This progress, in line with the records of sister Wheat Pools in Manitoba and Saskatchewan, should impress Western Canada with the fact that the burial shrouds, so eagerly offered for the Pools' interment in 1930, will not be required. These organizations are coming back with the unwavering support of thousands of grain growers all over the West. Just so long as these organizations can hold and merit this support all the forces arrayed against them will be unavailing.

The Pools are fast putting their finances in order. Some may think that too much stress is laid on the building up of a strong financial position. The cold fact is that these grower-controlled co-operatives dare not again expose themselves to financial weakness. Such a course would imperil the entire enterprise, endanger the investment of many thousands of farmers, possibly cause losses or delayed payments under the government guarantees and, finally, might set back the producer co-operative movement in the West for a generation. There lies the danger and consequently the determination of the delegates and directors to effectively forestall the possibility of such a calamity happening.

## TAXPAYERS NOT TO LOSE

The Wheat Pools have a definite obligation to the Provincial Governments of Western Canada in seeing that the indebtedness caused by the guarantees extended are met. I can say with assurance, on the Alberta Pool's part, and I am sure the situation is the same with the Manitoba and Saskatchewan Pools, that with the continued support of the grain growers, the guarantee will be met in full and the taxpayers will not lose a dollar. It should not be forgotten, however, that while the Pools took the burden of easing a drastic and unprecedented price decline several years ago, the governments of most other countries accepted that task for the wheat producers, and the government of Canada subsequently undertook the provid-

ing of a market when there was every prospect that the existing market could no longer function.

European countries have spent actually billions of dollars, in order that domestic wheat producers of that continent should not suffer from the impact of cheap imported wheat. United States has poured money in rivulets among her wheat growers to sustain them in their great need. No man in Canada, particularly those ensconced behind high tariff walls, or enjoying protection through means of artificial price-fixing, or living on the security of a fixed salary or wage, is in a position to criticize the action of the Federal Government in standing behind the wheat producers in their distress.

All this of course does not absolve the Wheat Pools from their obligations to the Provincial Governments. But those who prophesied heavy financial losses for the taxpayers to shoulder, may now have their fears somewhat allayed. The Pool organizations have also the very important objective of restoring their comprehensive elevator systems, free of all encumbrances, to their farmer owners. Judging by the advancement made during the past three years, a period of unparalleled depression, when dozens of giant financial concerns of long standing crashed, we are not too optimistic in forecasting that these immediate aims will be realized. If the hard-bitten grain farmers of Western Canada, suffering more from the depression than any other class, can so energetically push their organizations ahead in such bitter, hopeless years as the past three have been, they can surely do even better when more prosperous times return.

The annual Alberta Pool delegates' meeting has just been concluded. This was one of the best meetings the delegate body has ever held. To those unacquainted with the mechanics of these meetings I am sure they would prove a revelation. Seventy men from the length and breadth of Alberta spend the best part of a week in going into the details of the past year's business and in planning future policies. They organize themselves, appoint their own chairmen and committees. No official or director dictates to them. They ask for any and all information and it is instantly provided. The auditors spend the best part of a day with them and the directors and managers are constantly in attendance. At the conclusion of the last day's session the manager got up and said: "Gentlemen, I have provided you with all the information you asked for and much you did not ask for. If there is anything else you want to know ask for it now or write me when you get home. There is no mystery about anything nor is there anything that cannot be fully explained. Our operations must be an open book to you. There is not a dollar's expenditure we cannot account for. The organization has nothing to hide from you."

#### BASED ON FRANKNESS

That is the basis our Wheat Pools are operated on and it is on such lines we hope to hold confidence and support. The delegates are in a position to give the complete story to their districts. More; it is their bounden duty so to do, and so endeavor to keep the organization close to the wheat fields; to inculcate confidence by being frank; to gain support by being worthy of it.

I might possibly expand myself on our far-flung elevator system of 438 country elevators extending from the United States' border to the Peace River country, the four big terminals we operate on Canada's Pacific coast, our corps of employees whom we have trained to efficiently serve our co-operative enterprise in the way we desire. All these things are big and important. But our real strength is not there. It lies in the thousands of farm homes all over Alberta, many of them humble and unpretentious places of abode. But as long as the flame of co-operation burns on those farm hearths the Alberta Wheat Pool will go forward.

We have made progress in a material way but I also believe we have made greater progress in a spiritual way. The need for true co-operation is being realized more vitally now than ever before. Mr. Brouillette, president of the Saskatchewan Wheat Pool, told our delegates' convention that the real strength of the Pool movement has been shown in adversity and consequently it is even stronger now than in the days when it was supposed to

be at its heights. Hard times have made us realize that the good or ill of one affects the welfare of all. All that has occurred over these eventful years only emphasizes the need of developing the co-operative movement more and more. The solution of our problems does not lie in the increasing wealth and power of a handful of individuals but in building up servicing organizations on a non-profit basis. That is the goal of co-operation.

The success of co-operatives such as the Wheat Pool depends primarily on the goodwill and loyalty of the members; and that in turn depends greatly on the honesty, efficiency and sound business management of the administration. The record of the Alberta Wheat Pool and Alberta Pool Elevators is proof in itself of careful operation. The financial statements show this organization to be in a better financial position than any private grain handling organization of a similar size in Canada of which statements have been published. The Pools of Saskatchewan and Manitoba have similar records. No person can truthfully accuse these organizations of being poorly operated and inefficient. Our records are open to our membership and we believe they will not be disappointed in them.

In conclusion: these distressing years have seen mankind's spirit falter for the moment and his vision contract. People have been apprehensive and defensive where a bold and generous policy was needed most. Everywhere men flew to new tariffs and new nationalistic policies, domestic currencies, parochial purchasing and personal hoarding, like frightened rabbits each scurrying to his own burrow. Helpless in the face of such limiting conditions we have done what we could to help ameliorate things and make adjustments until a saner mentality developed. This unhappy state of affairs will, we hope, soon be rectified.

We should be the most fortunate of the generations of men. Science has given us more power over Nature than in all recorded history. Our ability to produce, our material resources, technical knowledge and industrial skill are enough to afford to the two billions of people who comprise the world's population, physical comfort, adequate leisure and access to everything in our rich heritage of civilization. We need but the regulative wisdom to control our specialized activities. To face our besetting troubles this apprehensive world needs now, above all, the qualities of courage and magnanimity and the spirit of true co-operation.

# Co-operation or Chaos

*Radio Address by A. F. SPROULE  
Director Saskatchewan Wheat Pool*

DECEMBER 12th, 1934

IT LOOKS as though history was again repeating itself, for the general position of business throughout the nation is in much the same position as Christopher Columbus was when he started out years ago on that great voyage of discovery. Columbus did not know where he was going when he started out. He did not know where he was when he got there. And he could not tell any person where he had been when he got back.

Like old Chris, I left my home in Nova Scotia and moved to the west away back many years ago. I settled in what some people now call the drought area in Saskatchewan. I do not like that name "drought area", although I will admit that it has been a little dry in southern Saskatchewan the past five years, and during that period, over the greater part of what is spoken of as the dry area, we have put considerably more grain in the soil than we have harvested in the fall. Still, we are not licked yet. Do not make any mistake about that. We have had good crops here in the past and we will have them again. With proper co-operation from Federal and Provincial Governments to help adjust the debts resulting from a long period of drought, and to assist in a policy of soil conservation and rehabilitation of abandoned farms, we will work out of the present difficulty.

## THE LAW OF THE JUNGLE

My friends, the drought, while serious, is not our greatest problem. Continuous migration west for many, many years, has eventually brought us to the last great west. We can today look across from Alaska into Asia and see that the cycle has been made complete. Our pioneers have left behind them, in this westward trek, great industrial centres, large tracts of well developed agricultural lands, homes for millions of people, a world well equipped with implements of production and transportation, a country that is well capable of feeding, clothing, housing and educating those millions. But, unfortunately, while those pioneers were spending their lives in this great development, and pushing the jungle farther and farther back, the law of the jungle—"the survival of the fittest"—followed in their wake. The helping hand, the kindly word, the friendly spirit of co-operation, so pronounced in the life of those early pioneers; that helped build the first log house, the first log school and the first little old church, that attended the sick, fed the hungry and so freely administered to the needy as the first duty of man to his fellow man; have disappeared to the extent that bitter competition has replaced co-operation. Today we see a world of chaos, strife, depression, suspicion, hatred; man pitted against his fellow man; want and, eventually, revolution and war.

No one can truly say today that competition is on trial. It has been tried and found wanting in every business place in our nation, as well as in the nations where those early pioneers were born. The verdict is failure—dismal failure. The evidence is clear and decisive, as witness the impossible state of the indebtedness of our people to those who only seek to make a profit. Inability to distribute and consume that which we produce, caused, chiefly, by a faulty medium of exchange that demands an unfair profit; narrow national policies that destroy international trade; tariff charges for handling, transporting, storing and manufacturing that take an unjust toll of the producer and add to the consumer's price; the cost of duplication

and waste always present in competitive business; the low price of agricultural products; sweat-shop wages of labor; have all assisted in destroying our purchasing power.

### THE LAST GREAT WEST

Folks, there are those who think they can solve this problem by moving from place to place; to where the rain and crops have been more abundant. There are those who leave the farm and go to the city, and again those who leave the city in a back-to-the-land movement. Chaos. In most instances, this is done with financial aid from the municipality, Provincial or Dominion Governments, thus incurring more debt. But these people have found that they cannot get away from a condition by moving from place to place. The fact of the matter is that we have reached the last great west. We can go no farther back. We have come to the place where we must take a stand and find a solution to our problem. The sons and daughters of those early pioneers must go back over the trail with the same courage and fearlessness shown by their forefathers, and re-establish the country, and through the teaching of co-operation, show our people how to live with one another in abundance and how to bring harmony, contentment, happiness and peace out of chaos. This task demands intelligent planning—the application of co-operation in community life and in the life of our nation.

Farmers are often criticized by city people for the time they devote to questions which these critics consider have nothing to do with farming. Why should the farmer bother his head about marketing when there are so many people in the cities eager to take charge of his marketing operations? Why should farmers take any interest in monetary reform, or debt adjustment, when the banks and mortgage companies assure him that the nation's currency and credit are in the best possible shape and in the best possible hands? We should follow their advice, should stay at home, slop more hogs, milk more cows, raise more grain and raise less hell.

### TRAFFIC OFFICER NEEDED

As the traffic cop guides and regulates traffic, giving the rich and the poor, the weak and the strong, an equal right on the streets of our cities and the highways of our country, so must co-operation be the traffic cop of business and control the national and international trade of the world.

The public of Canada has been shocked at the revelation of the chiselling and gouging of the consumer brought out by the Stevens' Commission. Co-operation in the business life of the nation will make unnecessary the work and resultant cost of these commissions—the Stamp, Turgeon, Brown—all investigating complaints concerning irregularities in the handling of grain. Surely the ruthlessness of competitive business, brought to light by the Stevens' Commission, is, in itself, sufficient proof for the most skeptical that greater co-operation is necessary.

Until co-operation is the law of life on our farms and in our cities, we will have chaos in our markets and chaos in the international situation; for co-operation is today the only known alternative to revolution.

As this is the Christmas season, let me remind you that there cannot be peace on earth, or good-will amongst men, until men live in harmony and co-operation. I appeal to all my friends who are listening in tonight to cast their ballot for co-operation instead of chaos. And in closing, let me quote the words of the poet who asks these very pertinent questions:

Are we, the men and women of this land,  
The men that broke the sod with sweat of brow  
And with the aid of woman's loving hand  
Transformed it till we feed the earth, and now  
Because of forces we do not control  
To lose our all and live upon a dole?

Are we, the builders of the nation's trade,  
The trade that's famous over all the earth?  
Are we, who sacrifices great have made  
To be replaced by those of doubtful worth?  
Are we to be forced out, lose all we own  
We pioneers that made this land our home?

Are all the efforts being made to fail  
And bring more suffering and distress and pain?  
Are those that made this land and blazed the trail  
To find their labors have all been in vain?  
Is all the world of all its sense bereft?  
O God in Heaven, is there no Vision left?

# Farm Women and the Co-operative Movement

*Radio Address by HONORABLE IRENE PARLBY  
Minister Without Portfolio in Alberta Provincial Government*

DECEMBER 19th, 1934

I HAVE been asked to speak to you this evening for a few minutes on "The Farm Women and the Co-operative Movement", a subject which is very near to my heart, because for a very great number of years now I have lived among the farm women, worked with them in our farm organizations, and developed an increasing admiration for the cheerful courage with which they face conditions that would crush the spirit out of mere weaklings. During these past few years, when the minds of all farm people have been filled with the difficulties and perplexities of their economic situation, the farm women have set an example to many a woman more fortunately placed, in the manner in which they have kept alive both spiritual and intellectual ideals, even when fighting against the heaviest odds, in a game where all the cards seemed stacked against them.

Of the farm women's part in the co-operative movement too, I am glad to speak, because it has been no small part; and with them I have for many years most sincerely believed in its philosophy, believed that it is the right way of life and the only possible basis for a just and really Christian social order.

The farm women have not been laggards in the co-operative movement. Their part may not have been spectacular. It may have been a rather quiet part, played more or less in the background. It may have been the mere keeping alive, in those with whom their daily lives brought them in contact, of the ideal in which they themselves believed. Much of it may have been work done almost unconsciously, by example, rather than precept; for there are surely no greater co-operators on earth, in all the happenings of the farm and community life, than the farm women of Canada.

Much that they have tried to do for the co-operative movement may have seemed to them rather futile in these past few years in the face of all the difficulties arrayed against them. But mere mortals cannot possibly judge the effect of their own actions, their own words, their own thoughts. To some it is only given to drop the little seed into the brown earth with faith. To others the joy of helping cultivate the growing plant. To others to reap the harvest.

## TODAY AND TOMORROW—VIEWPOINTS

The other day as I turned over the pages of Olive Schreiner's book, "Woman and Labour" which I had not read for many years, I came upon this passage, which might have been written for those women who worked for the co-operative movement.

*"You men and women, of the generations which come after us, will look back at us with astonishment. You will wonder at passionate struggles which seemed to accomplish so little; at the—to you—obvious paths to attain our ends which we did not take; at the intolerable evils, before which we sat down passive; at the great truths staring us in the face which we did not see; the truths we grasped at but never got our fingers round. You will marvel at the labour which ended in so little. But what you will never know is how it was thinking of you men and women of the generations which come after us, that we struggled as we did and accomplished the little that we have done. That it was in the thought of your*

*larger realization, and fuller life, that we found consolation for what seems to you, looking backward, the futilities of our own."*

It is some such thought as that, surely, that strengthens the arm and upholds the spirit of all those who work and labor to bring about a higher, juster type of social order.. It is some such thought, surely, that has been the lode-star leading the farm women through years of effort to play their part, in helping to establish the basis of a co-operative system.

### FARM WOMEN PRACTICAL

Farm women, like farm men, are as a rule intensely practical. From the beginning of their effort to help bring the co-operative ideal into effect, through the Canadian Wheat Pool, and later through the marketing of other products and the organization of their co-operative creameries, they have never allowed themselves to be unduly discouraged by inevitable setbacks, or by the fact that while their spirits moved ever forward towards the golden age, there were others of their fellows who continued to block the road with a determined individualism.

Their hearts might grow heavy at times from the obstinacy with which some continued to refuse to see the way. They might at times become impatient with the slowness of the progress that could be made. But they realised also the truth of George Russell's words, "That the net which is set to catch a Leviathan will not capture all the creatures of the deep, and that only by the slow process of orderly evolution, the devising of ways and means, the patient marshalling of human forces, can a nation be persuaded to change its way of life."

The women on the farms, perhaps even more than the men, have felt the full force of the economic conditions through which we have been passing. The women, who shoulder the responsibility of caring for, feeding, and clothing the household, know as no one else the full bitterness of what a severe and prolonged deflation in the price of farm products means to the family. Perhaps, however, they have been able to grasp some comfort from the fact that history seems to teach us that there are times in the story of the human race, when only through intense suffering, can men be forced to move onward and upward; and that perhaps when the iron has sufficiently entered into men's souls it may bring forth a quickening of the spirit, in those who have so far not been awakened by a great light, to realise what co-operation could do for them and their fellows, did all men subscribe to its philosophy.

Years ago when speaking to the farm people on this movement, I remember always trying to drive home the thought, that in its essence co-operation is essentially a spiritual movement; that if it is to be carried to its full fruition and to bring forth the harmonious social order, in place of the present system of competition, discord and perpetual conflict, this spiritual appeal must never be neglected. For as a bird with one wing broken cannot continue its flight, but must fall to earth a prey to its enemies, so the golden age of a co-operative world can never be brought about if it tries to move forward with one wing lacking.

### MAGIC UNAVAILING

There is no magic key by which the co-operative principle can be established as the basis of our social order. There is no short cut to the golden age. There must first of all be complete recognition of the supreme problems with which our civilization is faced. There must also be understanding of the fact that change in the community cannot take place except through change in the minds of individuals themselves. What we need today more than anything else, is to open wide the shutters of our minds; to let the sunlight in to the dark stuffy corners; to let the clean breezes of heaven sweep away all the narrowness, prejudice and hostility which are cumbering the earth and blocking the progress of our civilization.

Meanwhile the farm women are fully cognisant of what great achievements can already be placed to the credit of the co-operative movement the world over. They know that through it one little country was able to revo-

lutionize her whole agricultural economy. They know that in these past years of extreme financial depression, when competitive businesses in every country were failing right and left; when these private concerns were cutting wages, throwing men on the scrap heap, losing both money and business; that British co-operatives for instance, were steadily increasing their business, were increasing wages, were taking on more men. They know too that their own Canadian Wheat Pool has weathered an economic blizzard that has left scars on many a private industry. And they are determined that the movement that has been so bravely started must move on to even greater achievement.

Yes, I think the quiet work of the farm women through letting in the light among their own people, quickening the spirit among the blind, dropping the little seed here and there with faith, has not been wasted. It has already helped to bring results, and the men and women of the generations which are to come, who will reap the harvest, will acknowledge their debt to those who toiled and served, even though they marvel at the mistakes they made and the—to them—slowness of the progress.

# The World Wheat Problem

*Radio Address by JOHN I. McFARLAND*

*General Manager, Central Sales Agency, Canadian Wheat Pools*

DECEMBER 26TH, 1934

I CANNOT discuss the World's Wheat Situation without thinking of you, men and women, out on our prairie farms; because I am well aware of the economic struggles and hardships many of you have endured in the past four years. And while my own position has not been a bed of roses, I can assure you I would never have had the courage to continue in my work, had I not felt that I enjoyed the confidence, good will and support of you people whose interests I have been striving to serve. This has in great measure compensated for what I have had to contend with.

In the early stages of what has since proven to be the World's greatest depression, I was suddenly confronted with the proposal that I should accept the position of Manager of the Wheat Pool's Sales Agency. I was fully aware of the serious crisis which confronted the wheat producers in many countries, and especially in Canada. I was quite aware of the existing record World's surplus, and the world-wide over-production of wheat; also the greatly over-extended wheat acreage. These alarming conditions resulted from the World's greatest War and its after effects. Panic was then prevailing in the wheat markets of the world and the price of our best wheat was down near the fifty cent mark at Fort William. It would have been much easier for me to have refused the proposal, which came from the leaders of the Wheat Pools, and was supported by many influential sources, than it was for me to assume such complex responsibilities. It was a National Emergency and proved to be a much greater emergency than was then apparent. I can say quite frankly that I did not desire the position, but in such circumstance no man worthy of the privilege of being a Canadian could refuse.

I assumed office on Nov. 29th, 1930, and on that day issued a statement to the Press setting forth my views regarding the great overproduction and over-expansion of wheat acreage in this country and the world as a whole. Since then I have issued many statements declaring there could be no permanent recovery in prices, until production was reduced to what the World's markets would take at living prices to the producer. I have always claimed reduction of acreage was the only certain means of permanently reducing the World's surplus, although adverse climatic conditions on a large scale would give us a respite. In other words, Providence might intervene to check over-production but, based on the law of average, this would provide only temporary relief.

In the past season nature did intervene, and unprecedented crop failures occurred over large areas in various countries. There is no historical record of such devastation as occurred on this Continent this season. In Canada there were large areas where little or nothing was produced, and crops of cereals and hay have averaged poorly. In the United States there was a crop calamity over great areas. The total production of feed grains and fodder in that great country were less than any year since 1881, when the population was only about fifty million people, compared with a present day population of one hundred and twenty-five millions. Eastern Europe had a very poor crop while Western Europe's crop was only moderate. The rice crop of Japan was 25% less than last year, while the Chinese rice crop was below normal.

## OVERPRODUCTION CERTAIN

At all times, up until August, I had been one of the most persistent exponents of the overproduction view. While many others disputed theoretic-

ally that there was overproduction they could not refute the facts. Having observed the enormous destruction of crops, I made a public statement early in August, in which I confessed the picture had completely changed. How could any sane person refrain from such admission, in view of such enormous losses caused by Acts of Providence? In the meantime many of those who had loudly proclaimed there was no overproduction prior to these enormous losses, are now in effect claiming there *is* overproduction and that prices must be slaughtered to get rid of our wheat.

In a year of the greatest shortage of animal foods in modern times wheat cannot be considered as human food only. In the years 1931 and 1932 the United States fed to animals two hundred million bushels more wheat than normal, while in those same years their production of feed grains averaged 85% in excess of this year's short crop. The American Government had encouraged the feeding of wheat in those years, because of its super-abundance. Wheat is a very valuable animal food and will be so used in many countries this year because of its comparative cheapness, and the actual scarcity of ordinary animal feeds. In many import countries, Argentine and other cheaper wheats are now selling for less, on a poundage basis, than Oats, Barley or Corn.

#### DRAMATIC CHANGE IN U. S. A.

Western Europe has in modern times imported 80 to 85% of the World's surplus feeding grains, as well as wheat. Eastern Europe has in the past exported large quantities to Western Europe, but this year they have a very short crop. Owing to the enormous shortage of feed production in the United States, we now observe that country, for the first time in history, competing with Western Europe as an importer of every sort of animal food. It is interesting to estimate what the temporary repercussions may be throughout the World, when a great and wealthy nation such as the United States, suddenly become importers instead of exporters.

In order to visualize the tremendous crop reduction in the American Republic this year, it is well to recall that their 1933 crop was about 25% less than the previous five-year average. That was by far the smallest crop in many years, and it practically eliminated their reserves. This year's crop was less than 50% of the same average bushelage. Expressed in bushels of Corn, Oats, Barley and Rye, they have produced 2,045 millions of bushels this year, as compared to the average of 4,205 millions in the five-year period 1928-1932. That means a subnormal production this year of more than two billion bushels. That shortage is equal to the total Canadian production of Oats and Barley during the past five years. Thus far this season the United States have been by far our largest buyers of Oats, Barley, Durum wheat and low grade wheats.

#### TODAY'S PICTURE

Arrangements are about completed to put into effect reduced rates of freight on lower grades of wheat to United States points, and the American Government are working out Customs regulations to facilitate the movement between these two countries.

The World's wheat crop this year is now estimated at three hundred and fifty millions under last year. On the basis of wheat, used only for ordinary consumptive purposes, we are told by experts that the World's carry-over will be reduced by next August to within about 125 to 150 millions of normal. If that is correct, and I believe it is, then it follows that the extra feeding to animals of 125 to 150 million bushels of wheat will reduce the World's carryover to normal. Having regard to the great shortages in feed grains and other fodder, and the relative cheapness of wheat, surely it is not unreasonable to believe that this extra moderate quantity will be fed to animals, provided it is available for that purpose.

That is my picture of the wheat situation this year, but I again repeat that if and when normal moisture conditions return to the dried out areas, we will still have to face the necessity of reducing wheat acreage. Why not

reduce it next spring by seeding more acres in coarse grains and hay, and less in wheat? Reserves of feed will be exhausted and should be restored.

Now let us examine the stabilization operations which have been the subject of so much discussion and criticism, and which have been carried on for over four years in the name of the Canadian Co-operative Wheat Producers. These operations were made possible, only by the fact that the Prime Minister of this Dominion, the Right Hon. R. B. Bennett, arranged that the Dominion Government should guarantee the Company's account with its Bankers. He had the practical understanding of the necessity to provide hedging facilities for the wheat producers in Western Canada, and he showed rare courage and devotion to the public interest in the action he took. In paying this tribute to the Government action, I am but corroborating similar expressions made by official representatives of Western farmers, and others.

#### CANADIAN PRICES TOO HIGH?

This is the fifth crop which has benefited from these stabilization operations, and the volume produced in these five crops amounted to nearly 1,700 millions of bushels of wheat. No man can measure the actual benefit to the producers, but it runs into hundreds of millions of dollars.

Even now, since the picture has changed because of short crops, there are certain individuals who are suggesting that the price of Canadian wheat is too high; that we should force our prices lower to compete with other countries which are selling their wheat below cost of production and below feed grain prices. I wonder if these people have paused to consider the consequences of a price war between Canada and other exporting countries, to see which would be the first to ruin the other? In the meantime the tragedy of the present situation is that those in official positions in the Argentine, apparently do not realize that Canada and the Argentine really hold the key to the wheat supplies, until another normal crop is grown in the Northern hemisphere. They continue selling their wheat at such very low prices, as to depress the whole world's price structure. In this connection it is interesting to observe, that the premium at which Canadian wheat has been recently selling, is just about the same as it was from the end of last January until August, and yet, the foreign buyer did not complain until recently. We can only conjecture that there must be some motive in such propaganda for lower prices for our wheat.

Does anyone seriously think that the price of our high quality Canadian wheat today is too high? Are the wheat farmers on these prairies making such large profits out of this season's crop, that they could afford to have prices go down to the level of Argentine wheat, which would in turn force Argentine prices still lower?

Our wheat is selling at from 75c to 80c per bushel for No. 1 Northern delivered in Fort William, which would have been considered a very moderate price before the War. I could understand criticism, if prices were \$1.25 to \$1.50. But at present levels, and having regard to the greatly reduced production this year, it is absurd to express such views.

At the present time it is fair to admit the international benefits derived from the London Wheat Agreement of August, 1933, have not equalled the most optimistic expectations of what the agreement would effect. On the other hand it is equally certain it has not been the dismal failure claimed for it by others. The agreement aroused official and public interest in the World Wheat Problem; and many people in various countries have now a practical understanding of the problem, which they did not formerly possess. It is my opinion that this wide dissemination of knowledge will be of great value in reaching a final solution. The basic principle of the Agreement was "World's acreage reduction", and 6% reduction was achieved in this, the first year. But this measure of success has been obscured for the moment, by the enormous natural destruction of seeded acres. Alas! How puny are the efforts of man in contrast with the forces of Nature!

There were no historical weather records of this Continent to cause anyone to apprehend the great losses of this year, and this unprecedented occurrence is so portentous as to give rise to the thought. Governments may have to consider it in the Public interest to devise some system of carrying safety reserves, and to arrange for carrying them so that such reserves will not destroy current values. It has now been amply demonstrated that the present marketing system, without Government aid, will not function in times when supply exceeds effective demand.



## CANADIAN WHEAT POOLS

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### *Summary of 1933-34 Operations*

The Wheat Pool organizations in Manitoba, Saskatchewan and Alberta have all reported a successful operating year ended July 31st, 1934. In each province the Pool met all current commitments and added substantially to operating capital and reserve accounts. Summarized results are as follows:

#### **Manitoba Pool Elevators Limited:**

Net operating earnings.....	\$ 361,048
Paid to Manitoba Government: annual instalment of principal and interest on account of Government guarantee with reference to Pool overpayment to farmers on 1929 crop deliveries.....	233,741
Five per cent depreciation on elevator system put aside.....	
Transferred to Reserve Account.....	125,000

#### **Saskatchewan Wheat Pool:**

Net Operating earnings.....	exceeding \$1,000,000
Paid to Saskatchewan Government, with reference to 1929 Pool overpayment to farmers.....	1,132,304
Five per cent depreciation on elevator system put aside.....	
Working Capital Fund now stands at.....	6,017,831

#### **Alberta Wheat Pool:**

Net Operating Earnings.....	\$ 877,517
Paid to Alberta Government, with reference to 1929 Pool overpayment to farmers.....	453,425
Five per cent depreciation on elevator system put aside.....	
Paid on Vancouver Terminal.....	250,000
Working Capital Fund increased by.....	293,383
Working Capital Fund now stands at.....	4,117,234

#### **Grain Handled 1933-1934:**

Manitoba Pool Elevators.....	9,323,532 bushels
Saskatchewan Pool " .....	60,367,633 bushels
Alberta Pool " .....	27,090,444 bushels
Total.....	96,781,609 bushels

